



# Journal of the House

State of Indiana

119th General Assembly

Second Regular Session

Thirty-second Day

Wednesday Morning

March 9, 2016

The invocation was offered by Evangelist Clayton Jennings of Harbour Shores Church in Noblesville, a guest of Representative Kathy Kreag Richardson.

The House convened at 10:00 a.m. with Speaker Brian C. Bosma in the Chair.

The Pledge of Allegiance to the Flag was led by Representative Randy Lyness.

The Speaker ordered the roll of the House to be called:

Arnold	Kirchhofer
Austin	Klinker
Aylesworth	Koch
Bacon	Lawson
Baird	Lehe
Bartlett	Lehman
Bauer	Leonard
Behning <input type="checkbox"/>	Lucas
Beumer	Lyness
Borders	Macer
Braun	Mahan
C. Brown	Mayfield
T. Brown	McNamara
Burton	D. Miller
Carbaugh	Moed
Cherry <input type="checkbox"/>	Morris
Clere	Morrison
Cook	Moseley
Cox	Negele
Culver	Niezgodski
Davisson	Nisly
DeLaney	Ober
Dermody	Olthoff
DeVon	Pelath
Dvorak	Pierce
Eberhart	Porter
Ellington	Price
Errington	Pryor
Fine	Rhoads
Forestal	Richardson
Friend	Riecken
Frizzell	Saunders
Frye	Schaibley
GiaQuinta	Shackleford
Goodin	Slager
Gutwein	Smaltz
Hale	M. Smith
Hamm	V. Smith
Harman	Soliday
D. Harris	Speedy
Heaton	Stemler
Huston <input type="checkbox"/>	Steuerwald
Judy	Sullivan
Karickhoff	Summers
Kersey	Thompson

Torr  
Truitt  
VanNatter  
Washburne  
Wesco

Wolkins  
Wright  
Zent  
Ziemke  
Mr. Speaker

Roll Call 404: 97 present; 3 excused. The Speaker announced a quorum in attendance. [NOTE: ☐ indicates those who were excused.]

## RESOLUTIONS ON FIRST READING

The Speaker yielded the gavel to the Acting Speaker, Representative Niezgodski.

### House Resolution 60

Representatives Bartlett and Richardson introduced House Resolution 60:

A HOUSE RESOLUTION to honor Representative Gail Riecken on her retirement from the Indiana House of Representatives.

*Whereas, The Indiana House of Representatives will be losing a valued member with the retirement of Representative Gail Riecken;*

*Whereas, Representative Riecken has been a member of the Indiana House of Representatives since 2008;*

*Whereas, Representative Riecken serves as the ranking minority member of the Government and Regulatory Reform committee, and as a member of the Financial Institutions, Ways and Means, and the Statutory Committee on Ethics;*

*Whereas, Representative Riecken has served as a member of the Indiana Commission on Improving the Status of Children since 2013 and was an original legislative appointee to the Commission, where she remains actively involved;*

*Whereas, Representative Riecken has served the constituency of House District 77, which includes Vanderburgh and Warrick counties, to the best of her ability;*

*Whereas, Representative Riecken was recognized as legislator of the year for 2015 by the Indiana Credit Union League;*

*Whereas, Representative Riecken was presented the 2015 "Friend of Children" award by the Indiana Association of Resources and Child Advocacy for her support for at risk children;*

*Whereas, Before becoming a member of the Indiana House of Representatives, Representative Riecken served the Evansville community as the executive director of the Evansville Department of Parks and Recreation, and as a member of the Evansville City Council;*

*Whereas, Representative Riecken has also served as a member of the Pigeon Creek Greenway Advisory Board, Co-Founder of the Ark Crisis Prevention Nursery, a Family and Children Services board member, HOPE of Evansville President, and Vanderburgh Welfare Board member;*

*Whereas, As an avid lover of paddlewheel riverboats, Representative Riecken earned a marine pilot's license and has captained the Winnie Mae on the Ohio River; and*

*Whereas, Representative Riecken graduated from Benjamin Bosse High School in Evansville, Indiana, received her bachelor's degree from Indiana University, and served in the Peace Corps after college: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:*

SECTION 1. That the Indiana House of Representatives thanks Representative Gail Riecken for her dedicated and honorable service to her constituency and the state of Indiana, and wishes her happiness in her retirement and the best of luck in future endeavors.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Representative Gail Riecken and her family.

The resolution was read a first time and adopted by voice vote.

Representatives Behning, Cherry and Huston, who had been excused, are now present.

Representative Niezgodski yielded the gavel to Acting Speaker, Representative Riecken.

#### **House Resolution 67**

Representatives Richardson and Bartlett introduced House Resolution 67:

A HOUSE RESOLUTION honoring Representative Eric Allan Koch.

*Whereas, Representative Eric Koch, who was elected to represent the citizens of House District 65 in 2002, will be leaving the House Chamber for the last time at the end of the 2016 session;*

*Whereas, During his time in the House of Representatives, Representative Koch has served on the Statutory Committee on Ethics, the Judiciary Committee, the Rules and Legislative Procedures Committee, and as Chairman of the Utilities, Energy and Telecommunications Committee, as well as the Assistant Majority Caucus Chair;*

*Whereas, Representative Koch is also an active member in a number of national policy committees, including the National Conference of State Legislatures, American Legislative Exchange Council, The Council of State Governments Midwest, and the Juvenile Detention Alternatives Initiative;*

*Whereas, In addition to his work at the Statehouse, Representative Koch is active in several organizations, including the Indiana Farm Bureau, the Hoosier Trails Council of the Boy Scouts of America, Indiana Heritage Arts, Brown County Art Guild, the National Rifle Association, and The Heartland Institute;*

*Whereas, Representative Koch has received awards and recognitions from a number of organizations, including the Indiana Pro Bono Commission, Civil Air Patrol, Corporation for Education Technology, Southern Indiana Drug Task Force, Greater Bloomington Chamber of Commerce, Indiana Rural Health Association, and the Southern Indiana Center for Independent Living;*

*Whereas, Representative Koch graduated from Georgetown University with a Bachelor of Science degree and received his Doctor of Jurisprudence from Indiana University School of Law; and*

*Whereas, Representative Eric Koch has served his*

*constituency loyally and faithfully since his election to the Indiana House of Representatives: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:*

SECTION 1. That the Indiana House of Representatives bids a fond farewell to Representative Eric Allan Koch. The House of Representatives has only seen good things during his tenure. Legislators and staff alike will miss him greatly. His departure will leave a void that will never be truly filled.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit copies of this resolution to Representative Eric Allan Koch and his family.

The resolution was read a first time and adopted by voice vote.

Representative Riecken yielded the gavel to Acting Speaker, Representative Koch.

#### **House Resolution 68**

Representatives Richardson and Bartlett introduced House Resolution 68:

A HOUSE RESOLUTION honoring Representative Tom Dermody.

*Whereas, Representative Tom Dermody, who was first elected to represent the citizens of House District 20 in 2006, will be leaving the House Chamber for the last time at the end of the 2016 legislative session;*

*Whereas, During his time at the Statehouse, Representative Dermody served as an Assistant Majority Whip of the Indiana House of Representatives, the Chairman of the Public Policy Committee, the Co-Chairman of the Small Business Caucus, and as a member of the Commerce, Small Business and Economic Development Committee, and the Committee on Interstate and International Cooperation;*

*Whereas, Representative Dermody was named Legislator of the Year in 2015 by the Indiana Licensed Beverage Association for authoring comprehensive alcohol reform legislation that reduced burdensome regulations on small businesses;*

*Whereas, Representative Dermody has played a significant role in legislation benefiting small businesses throughout the state, preserving the 21st Century Scholars program for Indiana college students, protecting Hoosier veterans, and resolving tax matters for LaPorte County;*

*Whereas, In addition to his work at the Statehouse, Representative Dermody serves as a board member of the LaPorte Salvation Army and the LaPorte YMCA and was the past President of the LaPorte Community School Corporation School Board;*

*Whereas, Representative Dermody has volunteered as a youth athletics coach for several years in LaPorte and has also spent time mentoring at a local elementary school;*

*Whereas, Representative Dermody is a loving husband to his wife, Jackie, and a devoted father to his children, Katie and Ben; and*

*Whereas, Representative Tom Dermody has served his constituency loyally and faithfully since his election to the House of Representatives: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:*

SECTION 1. That the Indiana House of Representatives bids a fond farewell to Representative Tom Dermody. The House of Representatives has seen only good things during his tenure. Legislators and staff alike will miss him greatly. His departure

will leave a void that will never be truly filled.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit copies of this resolution to Representative Tom Dermody and his family.

The resolution was read a first time and adopted by voice vote.

The Acting Speaker yielded the gavel to the Speaker.

### House Concurrent Resolution 71

Representative Aylesworth introduced House Concurrent Resolution 71:

A CONCURRENT RESOLUTION honoring Dan Pastrick.

*Whereas, Hebron Middle School science teacher Dan Pastrick was named a 2015-2016 "LifeChanger of the Year" award winner by the National Life Group;*

*Whereas, The "LifeChanger of the Year" award is given to the best educators who have made a difference in a student's life;*

*Whereas, Dan Pastrick was one of 16 educators from across the country selected as a "LifeChanger of the Year" winner out of more than 620 teachers, administrators, and school district employees nominated from all 50 states and Washington, D.C.;*

*Whereas, Nominated by Hebron Middle School Principal Jeff Brooks, Dan Pastrick has been a science teacher for almost 20 years at Hebron Middle School and has a true passion for teaching, using innovative techniques, and learning strategies to reach his students;*

*Whereas, Outside the classroom, Dan Pastrick leads the National Junior Honor Society, organizes services project, and is involved in the annual Haunted House, which annually raises more than \$5,000 for the Lion's Club Angel Tree, an organization that supplies gifts to those in need during the holidays;*

*Whereas, Dan Pastrick and his wife, Andrea, who also teaches at Hebron Middle School, have three children, sixth graders Olivia and Max and kindergartner Gavin;*

*Whereas, Principal Brooks refers to Dan Pastrick as "the heartbeat of the school"; and*

*Whereas, Dan Pastrick is an outstanding Hoosier educator who has influenced, for the better, countless young lives: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:*

SECTION 1. That the Indiana General Assembly congratulates Dan Pastrick on being named 2015-2016 "LifeChanger of the Year" award winner by the National Life Group and encourages him to keep up the good work.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Dan Pastrick and his family, Principal Jeff Brooks, and Superintendent Dr. Nathan H. Kleefisch.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsor: Senator Charbonneau.

### House Concurrent Resolution 72

Representatives Riecken, Arnold, Rhoads introduced House Concurrent Resolution 72:

A CONCURRENT RESOLUTION recognizing the many accomplishments of Dennis Pennington and the great influence he had on the development of our state.

*Whereas, Dennis Pennington, one of Indiana's founding fathers, was born in Cumberland County, Virginia, on May 18, 1776, and died in his Harrison County home on December 2, 1854;*

*Whereas, Dennis Pennington was an early legislator in Indiana and the Indiana Territory, Speaker of the first Indiana State Senate, Speaker of the territorial legislature, and a member of the Whig Party serving over 37 years in public office;*

*Whereas, Dennis Pennington's major political contributions to the growth of our state were his strong opposition of slavery and his support of squatter's rights;*

*Whereas, In 1816, Pennington was elected as a delegate to Indiana's first Constitutional Convention as a slavery opponent;*

*Whereas, Dennis Pennington ran for a seat in the Senate in Indiana's new government;*

*Whereas, Dennis Pennington won the election and became the first Speaker of the Indiana State Senate, serving in this position from 1816 through 1818, and was an outspoken critic of slavery;*

*Whereas, Dennis Pennington served four terms in the Indiana Senate: 1816 through 1820, 1825 through 1827, 1830 through 1833, and 1842 through 1845;*

*Whereas, Dennis Pennington also served three terms as a state representative, as a member of the Whig Party, from 1822 through 1824, 1828 through 1830, and 1845 through 1846;*

*Whereas, Dennis Pennington was responsible for the construction of Indiana's first state capitol building, where his photo is on display;*

*Whereas, In 1825, Dennis Pennington campaigned for the position of lieutenant governor but was defeated;*

*Whereas, Dennis Pennington was later appointed as sheriff of Harrison County and successfully ran for a second term;*

*Whereas, In his later years, Dennis Pennington served on the Indiana University Board of Trustees; and*

*Whereas, Dennis Pennington is truly one of the greatest Hoosiers whose influence is still felt in our state today: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:*

SECTION 1. That the Indiana General Assembly recognizes the many contributions of Dennis Pennington to our state's history.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsor: Senator Becker.

### House Resolution 56

Representative Karickhoff introduced House Resolution 56:

A HOUSE RESOLUTION recognizing D.J. Balentine.

*Whereas, On February 6, 2016, University of Evansville guard D.J. Balentine became the school's all-time leading scorer and a three time Missouri Valley Conference scoring champ;*

*Whereas, The former Kokomo High School great has 2,409 career points;*

*Whereas, Only three players in the history of the Missouri Valley Conference have scored more points than D.J. Balentine;*

*Whereas, During the 2015-2016 season, D.J. Balentine averaged 20.7 points per game, 3.2 rebounds per game, and 4.4 assists per game;*

*Whereas, A well-rounded player, D.J. Balentine was selected as one of the 64 players to participate in the Portsmouth Invitational Tournament, a 12-game event held in front of personnel from every NBA team;*

*Whereas, Playing as a freshman, D.J. Balentine burst onto the national scene as a sophomore averaging 22.8 points per game;*

*Whereas, Since that time, Balentine has continued to keep his average of over 20 points per game;*

*Whereas, D.J. Balentine is one of the University of Evansville's all time great players and a fan favorite; and*

*Whereas, Outstanding accomplishments such as this deserve special recognition: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:*

SECTION 1. That the Indiana House of Representatives congratulates D.J. Balentine on scoring 2,409 career points and wishes him continued success in all his future endeavors.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to D.J. Balentine and his family.

The resolution was read a first time and adopted by voice vote.

#### **House Resolution 57**

Representative Koch introduced House Resolution 57:

A HOUSE RESOLUTION honoring the Bedford Area Chamber of Commerce on the occasion of the 100th anniversary of its founding.

*Whereas, The Bedford Area Chamber of Commerce has been working to serve the interests of the business community since the Articles of Association were established on April 21, 1916;*

*Whereas, The mission of the Bedford Area Chamber of Commerce is to provide its members a competitive advantage by promoting business, industry, tourism, and quality of life;*

*Whereas, The founding members of the board were William E. Clark, Albert J. Fields, Edmund B. Thornton, Edward A. Sohn, C.M. Lemon, J.D. Martin, Stanley T. Chrisler, Carl Furst, Miles Standish, Thomas J. Brooks, J.R. Voris, W.E. McCormick, J. Frank Walls, and Edward E. Farmer;*

*Whereas, The Bedford Area Chamber of Commerce and its members have received numerous awards and recognitions for their community work including the first ever ICEA Executive of the Year in 2002, the 2015 ICEA Executive of the Year, 2013 Indiana Chamber Community of the Year, 2015 runner-up ICEA Chamber of the Year, and National Clean City 1961, 1962, and 1963;*

*Whereas, Throughout the past 100 years, the Bedford Area Chamber of Commerce has progressed with the times;*

*Whereas, The Bedford Area Chamber of Commerce has seen two World Wars, the Great Depression, the assassination of John F. Kennedy, the Civil Rights Movement, Apollo 11 and the first man on the moon, the 9/11 tragedy, and so much more; and*

*Whereas, Through all this time, the Bedford Chamber has continued to make strides for its members and the community by staying true to its mission: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:*

SECTION 1. That the Indiana House of Representatives congratulates the Bedford Area Chamber of Commerce on the occasion of its 100th year of dedicated service to the community.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to CEO Shance Sizemore and the members of the Bedford Area Chamber of Commerce.

The resolution was read a first time and adopted by voice vote.

#### **House Resolution 62**

Representatives Moed and Kirchhofer introduced House Resolution 62:

A HOUSE RESOLUTION urging the legislative council to assign the topic of pharmacy security measures to the appropriate committee.

*Whereas, Today's pharmacies are intended to be a place for patient care;*

*Whereas, However, the rise in addiction to prescription drugs has heightened the incidence of both prescription fraud and pharmacy robbery;*

*Whereas, Today, pharmacies are vulnerable to break-ins and robberies;*

*Whereas, Pharmacists are concerned about security in the pharmacy; and*

*Whereas, Further study of this topic could provide valuable insight into this problem: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:*

SECTION 1. That the legislative council is urged to assign the topic of pharmacy security measures to the appropriate committee.

The resolution was read a first time and referred to the Committee on Public Health.

#### **House Resolution 63**

Representative Moed introduced House Resolution 63:

A HOUSE RESOLUTION urging the legislative council to assign the topic of card skimming devices to the appropriate committee.

*Whereas, The simple task of swiping a credit card is creating problems across Indiana and the United States;*

*Whereas, Criminals have developed ways to steal personal information from credit card transactions;*

*Whereas, Many banks have added chips to their credit cards in an attempt to protect the user's information;*

*Whereas, These chips make it more difficult, but not impossible, for criminals to steal information during credit card transactions; and*

*Whereas, It would behoove the state of Indiana to further study the issue of data theft during credit card transactions to determine better ways to protect Hoosiers: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:*

SECTION 1. That the legislative council is urged to assign the topic of card skimming devices to the appropriate committee.

The resolution was read a first time and referred to the Committee on Financial Institutions.

### House Resolution 64

Representative Macer introduced House Resolution 64:

A HOUSE RESOLUTION urging the legislative council to assign the topic of card skimming devices to the appropriate committee.

*Whereas, The simple task of swiping a credit card is creating problems across Indiana and the United States;*

*Whereas, Criminals have developed ways to steal personal information from credit card transactions;*

*Whereas, Many banks have added chips to their credit cards in an attempt to protect the user's information;*

*Whereas, These chips make it more difficult, but not impossible, for criminals to steal information during credit card transactions; and*

*Whereas, It would behoove the state of Indiana to further study the issue of data theft during credit card transactions to determine better ways to protect Hoosiers: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:*

SECTION 1. That the legislative council is urged to assign the topic of card skimming devices to the appropriate committee.

The resolution was read a first time and referred to the Committee on Financial Institutions.

### House Resolution 65

Representative Davisson introduced House Resolution 65:

A HOUSE RESOLUTION urging the legislative council to assign to the appropriate committee the topic of the coverage of FDA approved abuse deterrent opioid analgesics by commercial insurance when providers determine that the prescription would be in the best interest of the patient or would prevent diversion or abuse of an opioid-based medication.

*Whereas, The number of deaths resulting from drug overdoses continues to be a public health crisis in Indiana: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:*

SECTION 1. That the legislative council is urged to assign to the appropriate committee the topic of the coverage of FDA approved abuse deterrent opioid analgesics by commercial insurance when providers determine that the prescription would be in the best interest of the patient or would prevent diversion or abuse of an opioid-based medication. The committee should also study coverage of inpatient detox and medication assisted treatments approved by the FDA for coverage by commercial insurers.

The resolution was read a first time and referred to the Committee on Public Health.

### House Resolution 66

Representative Burton introduced House Resolution 66:

A HOUSE RESOLUTION recognizing the Greenwood Southwest Elementary School Fourth Grade M.A.T.H. Bowl champions.

*Whereas, The Greenwood Southwest Elementary School fourth grade math team demonstrated academic excellence at the 2016 Elementary School M.A.T.H. Bowl;*

*Whereas, Greenwood Southwest Elementary School took the championship title against more than 40 other elementary schools;*

*Whereas, The team's dedication to studying mathematics has earned the team this honorary title;*

*Whereas, Under the excellent leadership of Mr. Brian Brown, the team members exceeded what was expected of them;*

*Whereas, The team displayed outstanding sportsmanship amidst opponents in competition;*

*Whereas, Team members represented not only their team with class, but the entire student body of Greenwood Southwest Elementary School; and*

*Whereas, These young students will continue to show academic achievement in all their future endeavors: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:*

SECTION 1. That the Indiana House of Representatives congratulates the Greenwood Southwest Elementary School fourth grade M.A.T.H. Bowl participants on their championship title.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to the participants in the Greenwood Southwest Elementary School fourth grade math team.

The resolution was read a first time and adopted by voice vote.

The Speaker yielded the gavel to the Acting Speaker, Representative Dermody.

### CONFEREES AND ADVISORS APPOINTED

The Speaker announced the following changes in appointment of Representatives as conferees and advisors:

EHB 1005 Conferees: Behning replacing V. Smith

ESB 20 Conferees: Lyness replacing Moseley

The Acting Speaker yielded the gavel to the Speaker.

Representative Wolkins is excused.

### ACTION ON RULES SUSPENSIONS AND CONFERENCE COMMITTEE REPORTS

#### COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures has had under consideration House Rule 161.2 and recommends that it be suspended so that the following conference committee reports are eligible for consideration after March 3, 2016; we further recommend that House Rule 163.3 be suspended so that the following conference committee reports may be laid over on the members' desks for 12 hours, so that they may be eligible to be placed before the House for action: Engrossed House Bills 1130-1 and 1344-1 and Engrossed Senate Bills 187-1 and 206-1.

TORR, Chair

Report adopted.

#### HOUSE MOTION

Mr. Speaker: I move that House Rule 161.2 be suspended so that the following conference committee reports are eligible for consideration after March 3, 2016, and that House Rule 163.3 be suspended so that the following conference committee reports may be laid over on the members' desks for 12 hours, so that they may be eligible to be placed before the House for action: Engrossed House Bills 1130-1 and 1344-1 and

Engrossed Senate Bills 187-1 and 206-1.

TORR, Chair

Motion prevailed.

CONFERENCE COMMITTEE REPORT  
EHB 1130-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1130 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Page 4, delete lines 15 through 16, begin a new line block indented and insert:

**"(1) Establishing standards for service centers and inspections.**

**(2) Establishing standards for ignition interlock device technicians."**

Page 4, line 22, delete "center or" and insert **"center, by"**.

Page 4, line 42, after "vondor" insert **"or provider"**.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1130 as reprinted February 24, 2016.)

WESCO	KRUSE
FORESTAL	RANDOLPH
House Conferees	Senate Conferees

Roll Call 405: yeas 97, nays 1. Report adopted.

CONFERENCE COMMITTEE REPORT  
EHB 1344-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1344 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 22-4-2-3 IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 3: "Board" means the unemployment insurance board established by this article.~~

SECTION 2. IC 22-4-2-34, AS AMENDED BY P.L.12-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 34. (a) With respect to benefits for weeks of unemployment beginning after August 13, 1981, "extended benefit period" means a period which begins with the third week after a week for which there is a state "on" indicator and ends with the later of the following:

(1) The third week after the first week for which there is a state "off" indicator.

(2) The thirteenth consecutive week of such period.

(b) However, no extended benefit period may begin by reason of a state "on" indicator before the fourteenth week following the end of a prior extended benefit period which was in effect with respect to this state.

(c) There is a state "on" indicator for this state for a week if the commissioner determines, in accordance with the regulations of the United States Secretary of Labor, that for the period consisting of such week and the immediately preceding twelve (12) weeks, the rate of insured unemployment (not seasonally adjusted) under this article:

(1) equaled or exceeded one hundred twenty percent (120%) of the average of such rates for the corresponding 13-week period ending in each of the preceding two (2)

calendar years; and

(2) equaled or exceeded five percent (5%).

However, the determination of whether there has been a state "on" or "off" indicator beginning or ending any extended benefit period shall be made under this subsection as if it did not contain subdivision (1) if the insured unemployment rate is at least six percent (6%). Any week for which there would otherwise be a state "on" indicator shall continue to be such a week and may not be determined to be a week for which there is a state "off" indicator.

(d) In addition to the test for a state "on" indicator under subsection (c), there is a state "on" indicator for this state for a week if:

(1) the average rate of total unemployment in Indiana, seasonally adjusted, as determined by the United States Secretary of Labor, for the period consisting of the most recent three (3) months for which data for all states are published before the close of the week, equals or exceeds six and five-tenths percent (6.5%); and

(2) the average rate of total unemployment in Indiana, seasonally adjusted, as determined by the United States Secretary of Labor, for the three (3) month period referred to in subdivision (1) equals or exceeds one hundred ten percent (110%) of the average for either or both of the corresponding three (3) month periods ending in the two (2) preceding calendar years.

There is a state "off" indicator for a week if either of the requirements in subdivisions (1) and (2) are not satisfied. However, any week for which there would otherwise be a state "on" indicator under this section continues to be subject to the "on" indicator and shall not be considered a week for which there is a state "off" indicator. This subsection expires on the later of December 5, 2009, or the week ending four (4) weeks before the last week for which federal sharing is authorized by Section 2005(a) of Division B, Title II (the federal Assistance to Unemployed Workers and Struggling Families Act) of the federal American Recovery and Reinvestment Act of 2009 (P.L. 111-5).

(e) There is a state "off" indicator for this state for a week if the commissioner determines, in accordance with the regulations of the United States Secretary of Labor, that for the period consisting of such week and the immediately preceding twelve (12) weeks, the requirements of subsection (c) have not been met.

(f) With respect to benefits for weeks of unemployment beginning after August 13, 1981, "rate of insured unemployment," for purposes of subsection (c), means the percentage derived by dividing:

(1) the average weekly number of individuals filing claims for regular compensation in this state for weeks of unemployment with respect to the most recent 13 consecutive week period (as determined by the ~~board~~ **department** on the basis of this state's reports to the United States Secretary of Labor); by

(2) the average monthly employment covered under this article for the first four (4) of the most recent six (6) completed calendar quarters ending before the end of such 13-week period.

(g) "Regular benefits" means benefits payable to an individual under this article or under the law of any other state (including benefits payable to federal civilian employees and to ex-servicemen pursuant to 5 U.S.C. 8501 through 8525) other than extended benefits. "Additional benefits" means benefits other than extended benefits and which are totally financed by a state payable to exhaustees by reason of conditions of high unemployment or by reason of other special factors under the provisions of any state law. If extended compensation is payable to an individual by this state and additional compensation is payable to the individual for the same week by any state, the individual may elect which of the two (2) types of compensation

to claim.

(h) "Extended benefits" means benefits (including benefits payable to federal civilian employees and to ex-servicemen pursuant to 5 U.S.C. 8501 through 8525) payable to an individual under the provisions of this article for weeks of unemployment in the individual's "eligibility period". Pursuant to Section 3304 of the Internal Revenue Code extended benefits are not payable to interstate claimants filing claims in an agent state which is not in an extended benefit period, against the liable state of Indiana when the state of Indiana is in an extended benefit period. This prohibition does not apply to the first two (2) weeks claimed that would, but for this prohibition, otherwise be payable. However, only one (1) such two (2) week period will be granted on an extended claim. Notwithstanding any other provisions of this chapter, with respect to benefits for weeks of unemployment beginning after October 31, 1981, if the benefit year of any individual ends within an extended benefit period, the remaining balance of extended benefits that the individual would, but for this clause, be entitled to receive in that extended benefit period, with respect to weeks of unemployment beginning after the end of the benefit year, shall be reduced (but not below zero (0)) by the product of the number of weeks for which the individual received any amounts as trade readjustment allowances within that benefit year, multiplied by the individual's weekly benefit amount for extended benefits.

(I) "Eligibility period" of an individual means the period consisting of the weeks in the individual's benefit period which begin in an extended benefit period and, if the individual's benefit period ends within such extended benefit period, any weeks thereafter which begin in such extended benefit period. For any weeks of unemployment beginning after February 17, 2009, and before January 1, 2012, an individual's eligibility period (as described in Section 203(c) of the Federal-State Unemployment Compensation Act of 1970) is, for purposes of any determination of eligibility for extended compensation under state law, considered to include any week that begins:

- (1) after the date as of which the individual exhausts all rights to emergency unemployment compensation; and
- (2) during an extended benefit period that began on or before the date described in subdivision (1).

(j) "Exhaustee" means an individual who, with respect to any week of unemployment in the individual's eligibility period:

- (1) has received, prior to such week, all of the regular benefits including dependent's allowances that were available to the individual under this article or under the law of any other state (including benefits payable to federal civilian employees and ex-servicemen under 5 U.S.C. 8501 through 8525) in the individual's current benefit period that includes such week. However, for the purposes of this subsection, an individual shall be deemed to have received all of the regular benefits that were available to the individual although as a result of a pending appeal with respect to wages that were not considered in the original monetary determination in the individual's benefit period or although a nonmonetary decision denying benefits is pending, the individual may subsequently be determined to be entitled to added regular benefits;
- (2) may be entitled to regular benefits with respect to future weeks of unemployment but such benefits are not payable with respect to such week of unemployment by reason of seasonal limitations in any state unemployment insurance law; or
- (3) having had the individual's benefit period expire prior to such week, has no, or insufficient, wages on the basis of which the individual could establish a new benefit period that would include such week;

and has no right to unemployment benefits or allowances, as the case may be, under the Railroad Unemployment Insurance Act,

the Trade Act of 1974, the Automotive Products Trade Act of 1965 and such other federal laws as are specified in regulations issued by the United States Secretary of Labor, and has not received and is not seeking unemployment benefits under the unemployment compensation law of Canada; but if the individual is seeking such benefits and the appropriate agency finally determines that the individual is not entitled to benefits under such law, the individual is considered an exhaustee.

(k) "State law" means the unemployment insurance law of any state, approved by the United States Secretary of Labor under Section 3304 of the Internal Revenue Code.

(l) With respect to compensation for weeks of unemployment beginning after March 1, 2011, and ending on the later of December 10, 2011, or the week ending four (4) weeks before the last week for which federal sharing is authorized by Section 2005(a) of Division B, Title II (the federal Assistance to Unemployed and Struggling Families Act) of the federal American Recovery and Reinvestment Act of 2009 (P.L. 111-5), in addition to the tests for a state "on" indicator under subsections (c) and (d), there is a state "on" indicator for a week if:

- (1) the average rate of insured unemployment for the period consisting of the week and the immediately preceding twelve (12) weeks equals or exceeds five percent (5%); and
- (2) the average rate of insured unemployment for the period consisting of the week and the immediately preceding twelve (12) weeks equals or exceeds one hundred twenty percent (120%) of the average rates of insured unemployment for the corresponding thirteen (13) week period ending in each of the preceding three (3) calendar years.

(m) There is a state "off" indicator for a week based on the rate of insured unemployment only if the rate of insured unemployment for the period consisting of the week and the immediately preceding twelve (12) weeks does not result in an "on" indicator under subsection (c)(1).

(n) With respect to compensation for weeks of unemployment beginning after March 1, 2011, and ending on the later of December 10, 2011, or the week ending four (4) weeks before the last week for which federal sharing is authorized by Section 2005(a) of Division B, Title II (the federal Assistance to Unemployed and Struggling Families Act) of the federal American Recovery and Reinvestment Act of 2009 (P.L. 111-5), in addition to the tests for a state "on" indicator under subsections (c), (d), and (l) there is a state "on" indicator for a week if:

- (1) the average rate of total unemployment (seasonally adjusted), as determined by the United States Secretary of Labor, for the period consisting of the most recent three (3) months for which data for all states are published before the close of the week equals or exceeds six and one-half percent (6.5%); and
- (2) the average rate of total unemployment in Indiana (seasonally adjusted), as determined by the United States Secretary of Labor, for the three (3) month period referred to in subdivision (1) equals or exceeds one hundred ten percent (110%) of the average for any or all of the corresponding three (3) month periods ending in the three (3) preceding calendar years.

(o) There is a state "off" indicator for a week based on the rate of total unemployment only if the rate of total unemployment for the period consisting of the most recent three (3) months for which data for all states are published before the close of the week does not result in an "on" indicator under subsection (d)(1).

SECTION 3. IC 22-4-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. "Remuneration" whenever used in this article, unless the context clearly denotes otherwise, means all compensation for personal

services, including but not limited to commissions, bonuses, dismissal pay, vacation pay, sick pay (subject to the provisions of section 2(b)(2) of this chapter) payments in lieu of compensation for services, and cash value of all compensation paid in any medium other than cash. The reasonable cash value of compensation paid in any medium other than cash may be estimated and determined in accordance with rules prescribed by the ~~board~~ **department**. Such term shall not, however, include the value of meals, lodging, books, tuition, or educational facilities furnished to a student while such student is attending an established school, college, university, hospital, or training course for services performed within the regular school term or school year, including the customary vacation days or periods falling within such school term or school year.

SECTION 4. IC 22-4-7-1, AS AMENDED BY P.L.121-2014, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Before January 1, 2015, "employer" means:

(1) any employing unit which for some portion of a day, but not necessarily simultaneously, in each of twenty (20) different weeks, whether or not such weeks are or were consecutive within either the current or the preceding year, has or had in employment, and/or has incurred liability for wages payable to, one (1) or more individuals (irrespective of whether the same individual or individuals are or were employed in each such day); or

(2) any employing unit which in any calendar quarter in either the current or preceding calendar year paid for service in employment wages of one thousand five hundred dollars (\$1,500) or more, except as provided in section 2(e), 2(h), and 2(I) of this chapter.

(b) After December 31, 2014, "employer" means either of the following:

(1) An employing unit that has incurred liability for wages payable to one (1) or more individuals.

(2) An employing unit that in any calendar quarter during the current or preceding calendar year paid for service in employment wages of one dollar (\$1) or more, except as provided in section 2(e), 2(h), and 2(I) of this chapter.

(c) For the purpose of this definition, if any week includes both December 31, and January 1, the days up to January 1 shall be deemed one (1) calendar week and the days beginning January 1 another such week.

(d) For purposes of this section, "employment" shall include services which would constitute employment but for the fact that such services are deemed to be performed entirely within another state pursuant to an election under an arrangement entered into by the ~~board~~ **department** (pursuant to IC 22-4-22) and an agency charged with the administration of any other state or federal unemployment compensation law.

SECTION 5. IC 22-4-8-3, AS AMENDED BY P.L.2-2007, SECTION 292, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. "Employment" shall not include the following:

(1) Except as provided in section 2(I) of this chapter, service performed prior to January 1, 1978, in the employ of this state, any other state, any town or city, or political subdivision, or any instrumentality of any of them, other than service performed in the employ of a municipally owned public utility as defined in this article; or service performed in the employ of the United States of America, or an instrumentality of the United States immune under the Constitution of the United States from the contributions imposed by this article, except that to the extent that the Congress of the United States shall permit states to require any instrumentalities of the United States to make payments into an unemployment fund under a state unemployment compensation statute, all of the provisions of this article shall be applicable to such instrumentalities, in the same manner, to the same extent,

and on the same terms as to all other employers, employing units, individuals, and services. However, if this state shall not be certified for any year by the Secretary of Labor under Section 3304 of the Internal Revenue Code the payments required of such instrumentalities with respect to such year shall be refunded by the commissioner from the fund in the same manner and within the same period as is provided in IC 22-4-32-19 with respect to contribution erroneously paid or wrongfully assessed.

(2) Service with respect to which unemployment compensation is payable under an unemployment compensation system established by an Act of Congress; however, the department is authorized to enter into agreements with the proper agencies under such Act of Congress which agreements shall become effective ten (10) days after publication thereof, in accordance with rules adopted by the department under IC 4-22-2, to provide reciprocal treatment to individuals who have, after acquiring potential rights to benefits under this article, acquired rights to unemployment compensation under such Act of Congress, or who have, after having acquired potential rights to unemployment compensation under such Act of Congress, acquired rights to benefits under this article.

(3) "Agricultural labor" as provided in section 2(1)(1) of this chapter shall include only services performed:

(A) on a farm, in the employ of any person, in connection with cultivating the soil or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and furbearing animals and wildlife;

(B) in the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm;

(c) in connection with the production or harvesting of any commodity defined as an agricultural commodity in Section 15(g) of the Agricultural Marketing Act (12 U.S.C. 1141j(g)) as amended, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes;

(D) in the employ of:

(I) the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity; but only if such operator produced more than one-half ( $\frac{1}{2}$ ) of the commodity with respect to which such service is performed; or

(ii) a group of operators of farms (or a cooperative organization of which such operators are members) in the performance of service described in item (I), but only if such operators produce more than one-half ( $\frac{1}{2}$ ) of the commodity with respect to which such service is performed;

except the provisions of items (I) and (ii) shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for



consumption; or

(E) on a farm operated for profit if such service is not in the course of the employer's trade or business or is domestic service in a private home of the employer.

(4) As used in subdivision (3), "farm" includes stock, dairy, poultry, fruit, furbearing animals, and truck farms, nurseries, orchards, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities.

(5) Domestic service in a private home, local college club, or local chapter of a college fraternity or sorority, except as provided in section 2(m) of this chapter.

(6) Service performed on or in connection with a vessel or aircraft not an American vessel or American aircraft, if the employee is employed on and in connection with such vessel or aircraft when outside the United States.

(7) Service performed by an individual in the employ of child or spouse, and service performed by a child under the age of twenty-one (21) in the employ of a parent.

(8) Service not in the course of the employing unit's trade or business performed in any calendar quarter by an individual, unless the cash remuneration paid for such service is fifty dollars (\$50) or more and such service is performed by an individual who is regularly employed by such employing unit to perform such service. For the purposes of this subdivision, an individual shall be deemed to be regularly employed to perform service not in the course of an employing unit's trade or business during a calendar quarter only if:

(A) on each of some of twenty-four (24) days during such quarter such individual performs such service for some portion of the day; or

(B) such individual was regularly employed (as determined under clause (A)) by such employing unit in the performance of such service during the preceding calendar quarter.

(9) Service performed by an individual in any calendar quarter in the employ of any organization exempt from income tax under Section 501 of the Internal Revenue Code (except those services included in sections 2(l) and 2(j) of this chapter if the remuneration for such service is less than fifty dollars (\$50)).

(10) Service performed in the employ of a hospital, if such service is performed by a patient of such hospital.

(11) Service performed in the employ of a school or eligible postsecondary educational institution if the service is performed:

(A) by a student who is enrolled and is regularly attending classes at the school or eligible postsecondary educational institution; or

(B) by the spouse of such a student, if such spouse is advised, at the time such spouse commences to perform such service, that:

(i) the employment of such spouse to perform such service is provided under a program to provide financial assistance to such student by the school or eligible postsecondary educational institution; and

(ii) such employment will not be covered by any program of unemployment insurance.

(12) Service performed by an individual who is enrolled at a nonprofit or public educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on as a student in a full-time program, taken for credit at such institution, which combines academic instruction with work experience, if such service is an integral part of such program, and such institution has so certified to the employer, except that this subdivision shall not apply to service performed in a program established

for or on behalf of an employer or group of employers.

(13) Service performed in the employ of a government foreign to the United States of America, including service as a consular or other officer or employee or a nondiplomatic representative.

(14) Service performed in the employ of an instrumentality wholly owned by a government foreign to that of the United States of America, if the service is of a character similar to that performed in foreign countries by employees of the United States of America or of an instrumentality thereof, and if the ~~board~~ **department** finds that the Secretary of State of the United States has certified to the Secretary of the Treasury of the United States that the government, foreign to the United States, with respect to whose instrumentality exemption is claimed, grants an equivalent exemption with respect to similar service performed in such country by employees of the United States and of instrumentalities thereof.

(15) Service performed as a student nurse in the employ of a hospital or nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to state law; and service performed as an intern in the employ of a hospital by an individual who has completed a four (4) year course in a medical school chartered or approved pursuant to state law.

(16) Service performed by an individual as an insurance producer or as an insurance solicitor, if all such service performed by such individual is performed for remuneration solely by way of commission.

(17) Service performed by an individual:

(A) under the age of eighteen (18) in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution; or

(B) in, and at the time of, the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by the individual at a fixed price, the individual's compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to the individual, whether or not the individual is guaranteed a minimum amount of compensation for such service, or is entitled to be credited with the unsold newspapers or magazines turned back.

(18) Service performed in the employ of an international organization.

(19) Except as provided in IC 22-4-7-1, services covered by an election duly approved by the agency charged with the administration of any other state or federal unemployment compensation law in accordance with an arrangement pursuant to IC 22-4-22-1 through IC 22-4-22-5, during the effective period of such election.

(20) If the service performed during one-half (½) or more of any pay period by an individual for an employing unit constitutes employment, all the services of such individual for such period shall be deemed to be employment; but if the services performed during more than one-half (½) of any pay period by such an individual do not constitute employment, then none of the services of such individual for such period shall be deemed to be employment. As used in this subsection, "pay period" means a period of not more than thirty-one (31) consecutive days for which a payment of remuneration is ordinarily made to the individual by the employing unit. This subsection shall not be applicable with respect to services performed in a pay period by any such individual where any such service is excepted by subdivision (2).

(21) Service performed by an inmate of a custodial or

penal institution.

(22) Service performed as a precinct election officer (as defined in IC 3-5-2-40.1).

SECTION 6. IC 22-4-9-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. Every employer subject to this article or who has ceased to be subject to this article pursuant to section 2 of this chapter shall post and maintain printed notices thereof on its premises of such design, in such numbers, and at such places as the **board department** may determine to be necessary to give such notice to persons in its service and may furnish for such purposes. Such employer shall also cause to be distributed to employees any booklets, pamphlets, leaflets, or other literature or materials supplied and furnished to such employer by the department and which contain instructions to employees on the filing of claims or which relate to the rights of employees under this article and are deemed by the **board department** to promote the proper and efficient administration of this article.

SECTION 7. IC 22-4-11-2, AS AMENDED BY P.L.183-2015, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except as provided in IC 22-4-10-6 and IC 22-4-11.5, the department shall for each year determine the contribution rate applicable to each employer.

(b) The balance shall include contributions with respect to the period ending on the computation date and actually paid on or before July 31 immediately following the computation date and benefits actually paid on or before the computation date and shall also include any voluntary payments made in accordance with IC 22-4-10-5 or IC 22-4-10-5.5 (repealed):

(1) for each calendar year, an employer's rate shall be determined in accordance with the rate schedules in section 3.3 or 3.5 of this chapter; and

(2) for each calendar year, an employer's rate shall be two and five-tenths percent (2.5%), except as otherwise provided in subsection (g) or IC 22-4-37-3, unless:

(A) the employer has been subject to this article throughout the thirty-six (36) consecutive calendar months immediately preceding the computation date;

(B) there has been some annual payroll in each of the three (3) twelve (12) month periods immediately preceding the computation date; and

(c) the employer has properly filed all required contribution and wage reports, and all contributions, penalties, and interest due and owing by the employer or the employer's predecessors have been paid.

(c) In addition to the conditions and requirements set forth and provided in subsection (b)(2)(A), (b)(2)(B), and (b)(2)(c), an employer's rate is equal to the sum of the employer's contribution rate determined or estimated by the department under this article plus two percent (2%) unless all required contributions and wage reports have been filed within thirty-one (31) days following the computation date and all contributions, penalties, and interest due and owing by the employer or the employer's predecessor for periods before and including the computation date have been paid:

(1) within thirty-one (31) days following the computation date; or

(2) within ten (10) days after the department has given the employer a written notice by registered mail to the employer's last known address of:

(A) the delinquency; or

(B) failure to file the reports;

whichever is the later date. The **board department** or the **board's department's** designee may waive the imposition of rates under this subsection if the **board department** finds the employer's failure to meet the deadlines was for excusable cause. The department shall give written notice to the employer before this additional condition or requirement shall apply. An employer's rate under this subsection may not exceed twelve

percent (12%).

(d) However, if the employer is the state or a political subdivision of the state or any instrumentality of a state or a political subdivision, or any instrumentality which is wholly owned by the state and one (1) or more other states or political subdivisions, the employer may contribute at a rate of one and six-tenths percent (1.6%) until it has been subject to this article throughout the thirty-six (36) consecutive calendar months immediately preceding the computation date.

(e) On the computation date every employer who had taxable wages in the previous calendar year shall have the employer's experience account charged with the amount determined under the following formula:

STEP ONE: Divide:

(A) the employer's taxable wages for the preceding calendar year; by

(B) the total taxable wages for the preceding calendar year.

STEP TWO: Subtract:

(A) the amount described in IC 22-4-10-4.5(e)(2), if any; from

(B) the total amount of benefits charged to the fund under section 1 of this chapter.

STEP THREE: Multiply the quotient determined under STEP ONE by the difference determined under STEP TWO.

(f) One (1) percentage point of the rate imposed under subsection (c), or the amount of the employer's payment that is attributable to the increase in the contribution rate, whichever is less, shall be imposed as a penalty that is due and shall be deposited upon collection into the special employment and training services fund established under IC 22-4-25-1. The remainder of the contributions paid by an employer pursuant to the maximum rate shall be:

(1) considered a contribution for the purposes of this article; and

(2) deposited in the unemployment insurance benefit fund established under IC 22-4-26.

(g) Except as otherwise provided in IC 22-4-37-3, this subsection, instead of subsection (b)(2), applies to an employer in the construction industry. As used in the subsection, "construction industry" means business establishments whose proper primary classification in the current edition of the North American Industry Classification System Manual - United States, published by the National Technical Information Service of the United States Department of Commerce is 23 (construction). For each calendar year beginning after December 31, 2013, an employer's rate shall be equal to the lesser of four percent (4%) or the average of the contribution rates paid by all employers in the construction industry subject to this article during the twelve (12) months preceding the computation date, unless:

(1) the employer has been subject to this article throughout the thirty-six (36) consecutive calendar months immediately preceding the computation date;

(2) there has been some annual payroll in each of the three (3) twelve (12) month periods immediately preceding the computation date; and

(3) the employer has properly filed all required contribution and wage reports, and all contributions, penalties, and interest due and owing by the employer or the employer's predecessors have been paid.

SECTION 8. IC 22-4-12-4, AS AMENDED BY P.L.12-2011, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) Benefits shall be computed upon the basis of wage credits of an individual in the individual's base period. Wage credits shall be reported by the employer and credited to the individual in the manner prescribed by the **board department**. With respect to initial claims filed for any week beginning on and after July 7,

1991, the maximum total amount of benefits payable to any eligible individual during any benefit period shall not exceed twenty-six (26) times the individual's weekly benefit, or twenty-eight percent (28%) of the individual's wage credits with respect to the individual's base period, whichever is less. If such maximum total amount of benefits is not a multiple of one dollar (\$1), it shall be computed to the next lower multiple of one dollar (\$1).

(b) Except as provided in subsection (d), the total extended benefit amount payable to any eligible individual with respect to the individual's applicable benefit period shall be fifty percent (50%) of the total amount of regular benefits (including dependents' allowances) which were payable to the individual under this article in the applicable benefit year, or thirteen (13) times the weekly benefit amount (including dependents' allowances) which was payable to the individual under this article for a week of total unemployment in the applicable benefit year, whichever is the lesser amount.

(c) This subsection applies to individuals who file a disaster unemployment claim or a state unemployment insurance claim after June 1, 1990, and before June 2, 1991, or during another time specified in another state statute. An individual is entitled to thirteen (13) weeks of additional benefits, as originally determined, if:

- (1) the individual has established:
  - (A) a disaster unemployment claim under the Stafford Disaster Relief and Emergency Assistance Act; or
  - (B) a state unemployment insurance claim as a direct result of a major disaster;
- (2) all regular benefits and all disaster unemployment assistance benefits:
  - (A) have been exhausted by the individual; or
  - (B) are no longer payable to the individual due to the expiration of the disaster assistance period; and
- (3) the individual remains unemployed as a direct result of the disaster.

(d) For purposes of this subsection, "high unemployment period" means a period during which an extended benefit period would be in effect if IC 22-4-2-34(d)(1) were applied by substituting "eight percent (8%)" for "six and five-tenths percent (6.5%)". Effective with respect to weeks beginning in a high unemployment period, the total extended benefit amount payable to an eligible individual with respect to the applicable benefit year is equal to the least of the following amounts:

- (1) Eighty percent (80%) of the total amount of regular benefits that were payable to the eligible individual under this article in the applicable benefit year.
- (2) Twenty (20) times the weekly benefit amount that was payable to the eligible individual under this article for a week of total unemployment in the applicable benefit year.
- (3) Forty-six (46) times the weekly benefit amount that was payable to the eligible individual under this article for a week of total unemployment in the applicable benefit year, reduced by the regular unemployment compensation benefits paid (or deemed paid) during the benefit year.

This subsection expires on the later of December 5, 2009, or the week ending four (4) weeks before the last week for which federal sharing is authorized by Section 2005(a) of Division B, Title II (the federal Assistance to Unemployed Workers and Struggling Families Act) of the federal American Recovery and Reinvestment Act of 2009 (P.L. 111-5).

(e) For purposes of this subsection, "high unemployment period" means a period during which an extended benefit period would be in effect if IC 22-4-2-34(n)(1) were applied by substituting "eight percent (8%)" for "six and one-half percent (6.5%)". Effective with respect to weeks of unemployment beginning after March 1, 2011, and ending on the later of December 10, 2011, or the week ending four (4) weeks before the last week for which federal sharing is authorized by Section 2005(a) of Division B, Title II (the federal Assistance to

Unemployed and Struggling Families Act) of the federal American Recovery and Reinvestment Act of 2009 (P.L. 111-5), in a high unemployment period, the total extended benefit amount payable to an eligible individual with respect to the applicable benefit year is equal to the lesser of the following amounts:

- (1) Eighty percent (80%) of the total amount of regular benefits that were payable to the eligible individual under this article in the applicable benefit year.
- (2) Twenty (20) times the weekly benefit amount that was payable to the eligible individual under this article for a week of total unemployment in the applicable benefit year.

SECTION 9. IC 22-4-12-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) As used in this section, the term "part-time worker" means an individual whose normal work is in an occupation in which ~~his~~ **the individual's** services are not required for the customary scheduled full-time hours prevailing in the establishment in which ~~he the individual~~ is employed, or who, owing to personal circumstances, does not customarily work the customary scheduled full-time hours prevailing in the establishment in which ~~he the individual~~ is employed.

(b) The ~~board~~ **department** may prescribe rules applicable to part-time workers for determining their weekly benefit amount and the wage credits required to qualify such individuals for benefits. Such rules shall, with respect to such individuals, supersede any inconsistent provisions of this article, but, so far as practicable, shall secure results reasonably equivalent to those provided in the analogous provisions of this article.

SECTION 10. IC 22-4-14-2, AS AMENDED BY P.L.175-2009, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) An unemployed individual is eligible to receive benefits with respect to any week only if the individual has:

- (1) registered for work at an employment office or branch thereof or other agency designated by the commissioner within the time limits that the department by rule adopts; and
- (2) subsequently reported with the frequency and in the manner, either in person or in writing, that the department by rule adopts.

(b) Failure to comply with subsection (a) shall be excused by the commissioner or the commissioner's authorized representative upon a showing of good cause therefor. The department shall waive or alter the requirements of this section as to such types of cases or situations that compliance with such requirements would be oppressive. ~~or would be inconsistent with the purposes of this article.~~

(c) The department shall provide job counseling or training to an individual who remains unemployed for at least four (4) weeks. The manner and duration of the counseling shall be determined by the department.

(d) An individual who is receiving benefits as determined under IC 22-4-15-1(c)(8) is entitled to complete the reporting, counseling, or training that must be conducted in person at a one stop center selected by the individual. The department shall advise an eligible individual that this option is available.

(e) The department may waive the requirements of subsection (a) for a week only when one (1) of the following applies to an individual for that week:

- (1) The individual is attending training or retraining approved by the department.
- (2) The individual is a job-attached worker with a specific recall date that is not more than sixty (60) days after the individual's separation date.
- (3) The individual is using:
  - (A) a hiring service;
  - (B) a referral service; or
  - (c) another job placement service as determined by the department.

(4) ~~Any other situation exists for which the department considers requiring compliance by the individual with this section to be inconsistent with the purposes of this article.~~

SECTION 11. IC 22-4-14-3, AS AMENDED BY P.L.195-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) An individual who is receiving benefits as determined under IC 22-4-15-1(c)(8) may restrict the individual's availability because of the individual's need to address the physical, psychological, or legal effects of being a victim of domestic or family violence (as defined in IC 31-9-2-42).

(b) An unemployed individual shall be eligible to receive benefits with respect to any week only if the individual:

- (1) is physically and mentally able to work;
- (2) is available for work;
- (3) is found by the department to be making an effort to secure full-time work; and
- (4) participates in reemployment services and reemployment and eligibility assessment activities **as required by section 3.2 of this chapter** or when directed by the department as provided under section 3.5 of this chapter, unless the department determines that:

(A) the individual has completed the reemployment services; or

(B) failure by the individual to participate in or complete the reemployment services is excused by the director under IC 22-4-14-2(b).

The term "effort to secure full-time work" shall be defined by the department through rule which shall take into consideration whether such individual has a reasonable assurance of reemployment and, if so, the length of the prospective period of unemployment. However, if an otherwise eligible individual is unable to work or unavailable for work on any normal work day of the week the individual shall be eligible to receive benefits with respect to such week reduced by one-third (1/3) of the individual's weekly benefit amount for each day of such inability to work or unavailability for work.

(c) For the purpose of this article, unavailability for work of an individual exists in, but is not limited to, any case in which, with respect to any week, it is found:

- (1) that such individual is engaged by any unit, agency, or instrumentality of the United States, in charge of public works or assistance through public employment, or any unit, agency, or instrumentality of this state, or any political subdivision thereof, in charge of any public works or assistance through public employment;
- (2) that such individual is in full-time active military service of the United States, or is enrolled in civilian service as a conscientious objector to military service;
- (3) that such individual is suspended for misconduct in connection with the individual's work; or
- (4) that such individual is in attendance at a regularly established public or private school during the customary hours of the individual's occupation or is in any vacation period intervening between regular school terms during which the individual is a student. However, this subdivision does not apply to any individual who is attending a regularly established school, has been regularly employed and upon becoming unemployed makes an effort to secure full-time work and is available for suitable full-time work with the individual's last employer, or is available for any other full-time employment deemed suitable.

(d) Notwithstanding any other provisions in this section or IC 22-4-15-2, no otherwise eligible individual shall be denied benefits for any week because the individual is in training with the approval of the department, nor shall such individual be denied benefits with respect to any week in which the individual is in training with the approval of the department by reason of the application of the provisions of this section with respect to

the availability for work or active search for work or by reason of the application of the provisions of IC 22-4-15-2 relating to failure to apply for, or the refusal to accept, suitable work. The department shall by rule prescribe the conditions under which approval of such training will be granted.

(e) Notwithstanding subsection (b), (c), or (d), or IC 22-4-15-2, an otherwise eligible individual shall not be denied benefits for any week or determined not able, available, and actively seeking work, because the individual is responding to a summons for jury service. The individual shall:

- (1) obtain from the court proof of the individual's jury service; and
- (2) provide to the department, in the manner the department prescribes by rule, proof of the individual's jury service.

SECTION 12. IC 22-4-14-3.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3.2. (a) **For purposes of section 3 of this chapter, not later than the fourth week after the week an individual begins receiving benefits, the individual must be scheduled to visit and receive an orientation to the services available through a one stop center (as defined by IC 22-4.1-1-5). The individual must appear when scheduled, but in any event, the individual's orientation must be completed not later than the sixth week after the week the individual begins receiving benefits.**

(b) **The department may waive the requirements of subsection (a) only when one (1) of the following applies to an individual:**

- (1) **The individual is attending training or retraining approved by the department.**
- (2) **The individual is a job-attached worker with a specific recall date that is not more than sixty (60) days after the individual's separation date.**
- (3) **The individual is using:**
  - (A) **a hiring service;**
  - (B) **a referral service; or**
  - (C) **another job placement service as determined by the department.**

(4) **The individual is receiving a supplemental unemployment benefit under a contract or agreement.**

SECTION 13. IC 22-4-14-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) For weeks of unemployment occurring after October 1, 1983, benefits may be paid to an individual on the basis of service performed in seasonal employment (as defined in IC 22-4-8-4) only if the claim is filed within the operating period of the seasonal employment. If the claim is filed outside the operating period of the seasonal employment, benefits may be paid on the basis of nonseasonal wages only.

(b) An employer shall file an application for a seasonal determination (as defined by IC 22-4-7-3) with the department of workforce development. A seasonal determination shall be made by the department within ninety (90) days after the filing of such an application. Until a seasonal determination by the department has been made in accordance with this section, no employer or worker may be considered seasonal.

(c) Any interested party may file an appeal regarding a seasonal determination within fifteen (15) calendar days after the determination by the department and obtain review of the determination in accordance with IC 22-4-32.

(d) Whenever an employer is determined to be a seasonal employer, the following provisions apply:

- (1) The seasonal determination becomes effective the first day of the calendar quarter commencing after the date of the seasonal determination.
- (2) The seasonal determination does not affect any benefit rights of seasonal workers with respect to employment before the effective date of the seasonal determination.

(e) If a seasonal employer, after the date of its seasonal determination, operates its business or its seasonal operation during a period or periods of twenty-six (26) weeks or more in a calendar year, the employer shall be determined by the department to have lost its seasonal status with respect to that business or operation effective at the end of the then current calendar quarter. The redetermination shall be reported in writing to the employer. Any interested party may file an appeal within fifteen (15) calendar days after the redetermination by the department and obtain review of the redetermination in accordance with IC 22-4-32.

(f) Seasonal employers shall keep account of wages paid to seasonal workers within the seasonal period as determined by the department and shall report these wages on a special seasonal quarterly report form provided by the department.

(g) The ~~board~~ **department** shall adopt rules applicable to seasonal employers for determining their normal seasonal period or periods.

SECTION 14. IC 22-4-17-5, AS AMENDED BY P.L.175-2009, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The governor shall appoint a review board composed of three (3) members, not more than two (2) of whom shall be members of the same political party, with salaries to be fixed by the governor. The review board shall consist of the chairman and the two (2) members who shall serve for terms of three (3) years. At least one (1) member must be admitted to the practice of law in Indiana.

(b) Any claim pending before an administrative law judge, and all proceedings therein, may be transferred to and determined by the review board upon its own motion, at any time before the administrative law judge announces a decision. ~~Any claim pending before either an administrative law judge or the review board may be transferred to the board for determination at the direction of the board.~~ If the review board considers it advisable to procure additional evidence, it may direct the taking of additional evidence within a time period it shall fix. An employer that is a party to a claim transferred to the review board ~~or the board~~ under this subsection is entitled to receive notice in accordance with section 6 of this chapter of the transfer or any other action to be taken under this section before a determination is made or other action concerning the claim is taken.

(c) Any proceeding so removed to the review board shall be heard by a quorum of the review board in accordance with the requirements of section 3 of this chapter. The review board shall notify the parties to any claim of its decision, together with its reasons for the decision.

(d) Members of the review board, when acting as administrative law judges, are subject to section 15 of this chapter.

(e) The review board may on the board's own motion affirm, modify, set aside, remand, or reverse the findings, conclusions, or orders of an administrative law judge on the basis of any of the following:

- (1) Evidence previously submitted to the administrative law judge.
- (2) The record of the proceeding after the taking of additional evidence as directed by the review board.
- (3) A procedural error by the administrative law judge.

SECTION 15. IC 22-4-17-7, AS AMENDED BY P.L.108-2006, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. In the discharge of the duties imposed by this article, ~~any member of the board~~, the department, the review board, ~~or~~ an administrative law judge, or any duly authorized representative of any of them, shall have power to administer oaths and affirmations, take depositions, certify to official acts, and issue and serve subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda,

and other records deemed necessary as evidence in connection with the disputed claim or the administration of this article.

SECTION 16. IC 22-4-17-8, AS AMENDED BY P.L.108-2006, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. In case of contumacy by, or refusal to obey a subpoena issued to, any person in the administration of this article, any court of this state within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by ~~the board~~, the department, ~~or~~ the review board, or a duly authorized representative of ~~any either~~ of these, shall have jurisdiction to issue to such person an order requiring such person to appear before ~~the board~~, the department, the review board, an administrative law judge, or the duly authorized representative of any of these, there to produce evidence if so ordered, or there to give testimony touching the matter in question or under investigation. Any failure to obey such order of the court may be punished by said court as a contempt thereof.

SECTION 17. IC 22-4-17-9, AS AMENDED BY P.L.108-2006, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. No person shall be excused from attending and testifying or from producing books, papers, correspondence, memoranda, and other records before ~~the board~~, the department, the review board, an administrative law judge, or the duly authorized representative of any of them, in obedience to the subpoena of any of them in any cause or proceeding before any of them on the ground that the testimony or evidence, documentary or otherwise, required of the person may tend to incriminate the person or subject the person to a penalty or forfeiture, but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which the person is compelled after having claimed the privilege against self-incrimination to testify or produce evidence, documentary or otherwise, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying. Any testimony or evidence submitted in due course before ~~the board~~, the department, the review board, an administrative law judge, or any duly authorized representative of any of them, shall be deemed a communication presumptively privileged with respect to any civil action except actions to enforce the provisions of this article.

SECTION 18. IC 22-4-17-14, AS AMENDED BY P.L.108-2006, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) This section applies to notices given under sections 2, 3, 11, and 12 of this chapter. This section does not apply to rules adopted by ~~the board or the department~~, unless specifically provided.

(b) As used in this section, "notices" includes mailings of notices, determinations, decisions, orders, motions, or the filing of any document with the appellate division or review board.

(c) If a notice is served through the United States mail, three (3) days must be added to a period that commences upon service of that notice.

(d) The filing of a document with the appellate division or review board is complete on the earliest of the following dates that apply to the filing:

- (1) The date on which the document is delivered to the appellate division or review board.
- (2) The date of the postmark on the envelope containing the document if the document is mailed to the appellate division or review board by the United States Postal Service.
- (3) The date on which the document is deposited with a private carrier, as shown by a receipt issued by the carrier, if the document is sent to the appellate division or review board by a private carrier.

SECTION 19. IC 22-4-17-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) An administrative law judge may not preside over or otherwise participate in the hearing or disposition of an appeal in which the judge's impartiality might reasonably be questioned, including instances where the judge:

(1) has:

- (A) personal bias or prejudice concerning a party; or
- (B) personal knowledge of disputed evidentiary facts concerning the appeal;

(2) has served as a lawyer in the matter in controversy; or

(3) knows that the judge has any direct or indirect financial or other interest in the subject matter of an appeal or in a party to the appeal.

(b) Disqualification of an administrative law judge shall be in accordance with the rules adopted by the ~~Indiana unemployment insurance board~~ **department**.

(c) This subsection does not apply to the disposition of ex parte matters specifically authorized by statute or rule. An administrative law judge may not communicate, directly or indirectly, regarding any substantive issue in the appeal while the appeal is pending, with any party to the appeal, or with any individual who has a direct or indirect interest in the outcome of the appeal, without notice and opportunity for all parties to participate in the communication.

SECTION 20. IC 22-4-18-1, AS AMENDED BY P.L.69-2015, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) There is created a department under IC 22-4-1-2-1 which shall be known as the department of workforce development.

(b) The department of workforce development may:

- (1) Administer the unemployment insurance program.
- (2) Enter into agreements with the United States government that may be required as a condition of obtaining federal funds related to activities of the department under this article.
- (3) Enter into contracts or agreements and cooperate with local governmental units or corporations, including profit or nonprofit corporations, or combinations of units and corporations to carry out the duties of the department imposed by this article, including contracts for the delegation of the department's administrative, monitoring, and program responsibilities and duties set forth in this article.

(c) The payment of unemployment insurance benefits must be made in accordance with 26 U.S.C. 3304.

(d) The department of workforce development may do all acts and things necessary or proper to carry out the powers expressly granted under this article, including the adoption of rules under IC 4-22-2.

(e) The department of workforce development may not charge any claimant for benefits for providing services under this article, except as provided in IC 22-4-17-12.

**(f) The department of workforce development shall do the following:**

**(1) Submit a report to the general assembly in an electronic format under IC 5-14-6 and to the governor before December 1 of each year concerning the status of the unemployment compensation system, including the following:**

- (A) Recommendations for maintaining the solvency of the unemployment insurance benefit fund established under IC 22-4-26-1.**
- (B) Information regarding expenditures from the special employment and training services fund.**
- (c) Information regarding money released under IC 22-4-25-1(c).**

**(2) Make a presentation to the budget committee at each meeting of the budget committee held before November 1, 2016, concerning the status of the**

**unemployment compensation system, including the following:**

**(A) Recommendations for maintaining the solvency of the unemployment insurance benefit fund established under IC 22-4-26-1.**

**(B) Information regarding expenditures from the special employment and training services fund.**

**(c) Information regarding money released under IC 22-4-25-1(c).**

**(D) Any other information requested by the budget committee.**

**(f) (g)** In addition to the duties prescribed in subsections (a) through ~~(e)~~; **(f)**, the department of workforce development shall establish, implement, and maintain a training program in the nature and dynamics of domestic and family violence for training of all employees of the department who interact with a claimant for benefits to determine whether the claim of the individual for unemployment benefits is valid and to determine that employment separations stemming from domestic or family violence are reliably screened, identified, and adjudicated and that victims of domestic or family violence are able to take advantage of the full range of job services provided by the department. The training presenters shall include domestic violence experts with expertise in the delivery of direct services to victims of domestic violence, including using the staff of shelters for battered women in the presentation of the training. The initial training shall consist of instruction of not less than six (6) hours. Refresher training shall be required annually and shall consist of instruction of not less than three (3) hours.

SECTION 21. IC 22-4-18-2 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 2: ~~(a) The Indiana unemployment insurance board is created. The board is responsible for the oversight of the unemployment insurance program. The board shall report annually to the governor on the status of unemployment insurance together with recommendations for maintaining the solvency of the unemployment insurance benefit fund. The department staff shall provide support to the board. The unemployment insurance board shall consist of nine (9) members, who shall be appointed by the governor, as follows:~~

- ~~(1) Four (4) members shall be appointed as representatives of labor and its interests.~~
- ~~(2) One (1) member shall be appointed as a representative of the state and its interest and of the public at large.~~
- ~~(3) Two (2) members shall be appointed as representatives of the large employers of the state.~~
- ~~(4) Two (2) members shall be appointed as representatives of the independent merchants and small employers of the state.~~

**All appointments shall be made for terms of four (4) years. All appointments to full terms or to fill vacancies shall be made so that all terms end on March 31.**

**(b) Every Indiana unemployment insurance board member so appointed shall serve until a successor shall have been appointed and qualified. Before entering upon the discharge of official duties, each member of the board shall take and subscribe to an oath of office, which shall be filed in the office of the secretary of state. Any vacancy occurring in the membership of the board for any cause shall be filled by appointment by the governor for the unexpired term. The governor may, at any time, remove any member of the board for misconduct, incapacity, or neglect of duty. Each member of the board shall be entitled to receive as compensation for the member's services the sum of one hundred dollars (\$100) per month for each and every month which the member devotes to the actual performance of the member's duties, as prescribed in this article; but the total amount of such compensation shall not exceed the sum of twelve hundred dollars (\$1,200) per year. In addition to the compensation hereinbefore prescribed, each member of the board shall be entitled to receive the amount of traveling and other necessary expenses actually incurred while**

engaged in the performance of official duties:

(c) The board may hold one (1) regular meeting each month and such called meetings as may be deemed necessary by the commissioner or the board. The April meeting shall be known as the annual meeting. Five (5) members of the board constitute a quorum for the transaction of business. At its first meeting and at each annual meeting held thereafter, the board shall organize by the election of a president and vice president from its own number, each of whom, except those first elected, shall serve for a term of one (1) year and until a successor is elected.

SECTION 22. IC 22-4-18-2.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.4. (a) The Indiana unemployment insurance board and the department shall cooperate to provide for an orderly transition of the powers, duties, agreements, liabilities, records, property, and other assets as described in section 2.5 of this chapter on April 1, 2016.**

**(b) This section expires January 1, 2017.**

SECTION 23. IC 22-4-18-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2.5. (a) The Indiana unemployment insurance board is abolished on April 1, 2016.**

**(b) On April 1, 2016, all powers, duties, agreements, and liabilities of the Indiana unemployment insurance board are transferred to the department.**

**(c) On April 1, 2016, all records and property of the Indiana unemployment insurance board, including appropriations or other funds under the control or supervision of the Indiana unemployment insurance board, are transferred to the department.**

**(d) After March 31, 2016, any amounts owed to the Indiana unemployment insurance board are considered to be owed to the department.**

**(e) After March 31, 2016, a reference to the Indiana unemployment insurance board in a statute, rule, or other document is considered a reference to the department.**

**(f) Rules that were adopted by the Indiana unemployment insurance board before April 1, 2016, shall be treated as though the rules were adopted by the department until the department adopts rules under IC 4-22-2 to administer this article.**

**(g) Proceedings that pertain to the unemployment insurance system pending before the Indiana unemployment insurance board on April 1, 2016, shall be transferred to the department and must be treated as if the department was the original party.**

**(h) This section expires January 1, 2017.**

SECTION 24. IC 22-4-19-1, AS AMENDED BY P.L.108-2006, SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 1. The board department shall have the power and authority to adopt, amend, or rescind such rules and regulations to employ such persons, make such expenditures, require such reports, make such investigations and take such other action as it may deem necessary or suitable for the proper administration of this article. All rules and regulations issued under the provisions of this article shall be effective upon publication in the manner hereinafter provided and shall have the force and effect of law. The board department may prescribe the extent, if any, to which any rule or regulation so issued or legal interpretation of this article shall be with or without retroactive effect. Whenever the board department believes that a change in contribution or benefit rates will become necessary to protect the solvency of the unemployment insurance benefit fund, it the department shall promptly so inform the governor and the general assembly, and make recommendations with respect thereto.**

SECTION 25. IC 22-4-19-4 IS REPEALED [EFFECTIVE UPON PASSAGE]. **Sec. 4: Subject to the further provisions of**

this article, the board is authorized to appoint, fix the compensation, and prescribe the duties and powers of such officers, accountants, attorneys, experts, and other persons as may be necessary in the performance of its duties. All positions shall be filled by persons selected and appointed as provided in this section. The board may authorize any such person so appointed to do any act or acts which would lawfully be done by the board and may, in its discretion, require suitable bond from any person charged with the custody of any money or securities.

SECTION 26. IC 22-4-19-7, AS AMENDED BY P.L.175-2009, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7. In any case where an employing unit, or any officer, member, or agent thereof or any other person having possession of the records thereof, shall fail or refuse upon demand by the board, the department, the review board, or an administrative law judge, or the duly authorized representative of any of them, to produce or permit the examination or copying of any book, paper, account, record, or other data pertaining to payrolls or employment or ownership of interests or stock in any employing unit, or bearing upon the correctness of any contribution report, or for the purpose of making a report as required by this article where none has been made, then and in that event the board, the department, the review board, or the administrative law judge, or the duly authorized representative of any of them, may by issuance of a subpoena require the attendance of such employing unit, or any officer, member, or agent thereof or any other person having possession of the records thereof, and take testimony with respect to any such matter and may require any such person to produce any books or records specified in such subpoena.**

SECTION 27. IC 22-4-19-8, AS AMENDED BY P.L.108-2006, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 8. (a) The board, The department, the review board, or the administrative law judge, or the duly authorized representative of any of them, at any such hearing shall have power to administer oaths to any such person or persons. When any person called as a witness by such subpoena, duly signed, and served upon the witness by any duly authorized person or by the sheriff of the county of which such person is a resident, or wherein is located the principal office of such employing unit or wherein such records are located or kept, shall fail to obey such subpoena to appear before the board, the department, the review board, or the administrative law judge, or the authorized representative of any of them, or shall refuse to testify or to answer any questions, or to produce any book, record, paper, or other data when notified and demanded so to do, such failure or refusal shall be reported to the attorney general for the state of Indiana who shall thereupon institute proceedings by the filing of a petition in the name of the state of Indiana on the relation of the board, department, in the circuit court or superior or other court of competent jurisdiction of the county where such witness resides, or wherein such records are located or kept, to compel obedience of and by such witness.**

**(b) Such petition shall set forth the facts and circumstances of the demand for and refusal or failure to permit the examination or copying of such records or the failure or refusal of such witness to testify in answer to such subpoena or to produce the records so required by such subpoena. Such court, upon the filing and docketing of such petition shall thereupon promptly issue an order to the defendants named in said petition, to produce forthwith in such court or at a place in such county designated in such order, for the examination or copying by the board, the department, the review board, an administrative law judge, or the duly authorized representative of any of them, the records, books, or documents so described and to testify concerning matters described in such petition. Unless such defendants to such petition shall appear in said court upon a day specified in such order, which said day shall be**



not more than ten (10) days after the date of issuance of such order, and offer, under oath, good and sufficient reasons why such examination or copying should not be permitted, or why such subpoena should not be obeyed, such court shall thereupon deliver to ~~the board~~, the department, the review board, the administrative law judge, or representative of any of them, for examination or copying, the records, books and documents so described in said petition and so produced in such court and shall order said defendants to appear in answer to the subpoena, and to testify concerning the subject matter of the inquiry. Any employing unit, or any officer, member, or agent ~~thereof~~, **of the employing unit**, or any other persons having possession of the records thereof who shall willfully disobey such order of the court after the same shall have been served upon ~~him~~, **the employing unit, any officer, member, or agent of the employing unit, or any other person having possession of the records** shall be guilty of indirect contempt of such court from which such order shall have issued and may be adjudged in contempt of said court and punished therefor as provided by law.

SECTION 28. IC 22-4-19-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. If the **board department** determines that Public Law 94-566 or the federal laws it amends have been adjudged unconstitutional or invalid in its application to, or have been stayed pendente lite as to, a state or a political subdivision or an instrumentality which is wholly owned by the state and one (1) or more other states or political subdivisions and its employees by any court of competent jurisdiction, the **board department** shall suspend the enforcement of this article with respect to these employers and employees to the extent of the adjudged unconstitutionality or inapplicability or of the stay.

SECTION 29. IC 22-4-20-1, AS AMENDED BY P.L.175-2009, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Whenever the commissioner shall consider any account or claim for contributions against an employer, and any penalty or interest due thereon, or any part thereof, to be uncollectible, written notification containing appropriate information shall be furnished to the attorney general by the commissioner setting forth the reasons therefor and the extent to which collection proceedings have been taken. The attorney general may review such notice and may undertake additional investigation as to the facts relating thereto, and shall thereupon certify to the commissioner an opinion as to the collectibility of such account or claim. If the attorney general consents to the cancellation of such claim for delinquent contributions, and any interest or penalty due thereon, the board may then cancel all or any part of such claim.

(b) In addition to the procedure for cancellation of claims for delinquent contributions set out in subsection (a), the **board department** may cancel all or any part of a claim for delinquent contributions against an employer if all of the following conditions are met:

(1) The employer's account has been delinquent for at least seven (7) years.

(2) The commissioner has determined that the account is uncollectible and has recommended that the **board department** cancel the claim for delinquent contributions.

(c) When any such claim or any part thereof is cancelled by the **board department**, there shall be placed in the files and records of the department, in the appropriate place for the same, a statement of the amount of contributions, any interest or penalty due thereon, and the action of the **board department** taken with relation thereto, together with the reasons therefor.

SECTION 30. IC 22-4-21-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. In the administration of this article the **board department** shall cooperate to the fullest extent consistent with the provisions of this article with the federal Department of Labor, shall make

such reports in such form and containing such information as the federal Department of Labor may from time to time require and shall comply with such provisions as the federal Department of Labor may from time to time find necessary to insure the correctness and verification of such reports, and shall comply with the regulations prescribed by the Secretary of Labor governing the expenditures of such sums as may be allotted and paid to the state of Indiana under 42 U.S.C. 501 through 504 or any other federal statute for the purpose of assisting in the administration of this article.

SECTION 31. IC 22-4-21-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. Upon request therefor the **board department** shall furnish to any agency of the United States charged with the administration of public works or assistance through public employment the name, address, ordinary occupation, and employment status of each recipient of benefits and such recipient's rights to further benefits under this article.

SECTION 32. IC 22-4-21-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. The **board department** may afford reasonable cooperation with every agency of the United States of America, or with any state charged with the administration of any unemployment compensation law.

SECTION 33. IC 22-4-22-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The **board department** shall enter into arrangements with the appropriate agencies of other states or jurisdictions or the United States of America whereby individuals performing services in this and other states or jurisdictions for a single employing unit under circumstances not specifically provided for in ~~IC 1971, IC 22-4-8-2(b), or this article~~, or under similar provisions in the unemployment compensation laws of such other states or jurisdictions, shall be deemed to be employment performed entirely within this state or within one (1) of such other states or jurisdictions, and whereby potential rights to benefits accumulated under the unemployment compensation laws of several states or jurisdictions, or under such a law of the United States of America, or both, may constitute the basis for the payment of benefits through a single appropriate agency under the terms which the **board department** finds will be fair and reasonable to all affected interests and will not result in substantial loss to the fund.

SECTION 34. IC 22-4-22-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The **board department** is authorized to enter into reciprocal arrangements with the appropriate agencies of other states or jurisdictions or the United States of America, adjusting the collection and payment of contributions by employers with respect to employment not localized within this state.

SECTION 35. IC 22-4-22-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. The **board department** is authorized to enter into reciprocal agreements with the agencies of other states or jurisdictions administering unemployment compensation laws whereby the **board department** and such other agencies or jurisdictions may act as agents for each other for the purpose of accepting contributions on each other's behalf. Such contributions upon remittance to the state or jurisdiction on whose behalf such contributions were received, shall be deemed contributions required and paid into the unemployment compensation fund of such state or jurisdiction as of the date received by the agent, state or jurisdiction.

SECTION 36. IC 22-4-22-5, AS AMENDED BY P.L.108-2006, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. In order that the administration of this article and the unemployment insurance laws of other states or jurisdictions or of the United States of America will be promoted by cooperation between this state and such other states or jurisdictions or the appropriate



agencies of the United States in exchanging services and making available facilities and information, ~~the board and the department are~~ is authorized to make such investigations, secure and transmit such information, make available such services and facilities, and exercise such of the other powers provided in this article with respect to the administration of this article as deemed necessary or appropriate to facilitate the administration of any unemployment insurance law and in like manner to accept and utilize information, services, and facilities made available to this state by the agency or jurisdiction charged with the administration of any such other unemployment insurance law.

SECTION 37. IC 22-4-25-1, AS AMENDED BY P.L.69-2015, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) There is created in the state treasury a special fund to be known as the special employment and training services fund. All interest on delinquent contributions and penalties collected under this article, together with any voluntary contributions tendered as a contribution to this fund, shall be paid into this fund. The money shall not be expended or available for expenditure in any manner which would permit their substitution for (or a corresponding reduction in) federal funds which would in the absence of said money be available to finance expenditures for the administration of this article, but nothing in this section shall prevent said money from being used as a revolving fund to cover expenditures necessary and proper under the law for which federal funds have been duly requested but not yet received, subject to the charging of such expenditures against such funds when received. The money in this fund shall be used by the ~~board department~~ for the payment of refunds of interest on delinquent contributions and penalties so collected, for the payment of costs of administration which are found not to have been properly and validly chargeable against federal grants or other funds received for or in the employment and training services administration fund, on and after July 1, 1945. Such money shall be available either to satisfy the obligations incurred by the ~~board department~~ directly, or by transfer by the ~~board department~~ of the required amount from the special employment and training services fund to the employment and training services administration fund. The ~~board department~~ shall order the transfer of such funds or the payment of any such obligation or expenditure and such funds shall be paid by the treasurer of state on requisition drawn by the ~~board department~~ directing the auditor of state to issue the auditor's warrant therefor. Any such warrant shall be drawn by the state auditor based upon vouchers certified by ~~the board or the commissioner~~. The money in this fund is hereby specifically made available to replace within a reasonable time any money received by this state pursuant to 42 U.S.C. 502, as amended, which, because of any action or contingency, has been lost or has been expended for purposes other than or in amounts in excess of those approved by the bureau of employment security. The money in this fund shall be continuously available to the ~~board department~~ for expenditures in accordance with the provisions of this section and for the prevention, detection, and recovery of delinquent contributions, penalties, and improper benefit payments, and shall not lapse at any time or be transferred to any other fund, except as provided in this article. **After making the grants required under subsection (c), the department may expend an amount not to exceed five million dollars (\$5,000,000) in a state fiscal year for the purposes described in this subsection, unless an additional amount is approved by the budget committee.** Nothing in this section shall be construed to limit, alter, or amend the liability of the state assumed and created by IC 22-4-28, or to change the procedure prescribed in IC 22-4-28 for the satisfaction of such liability, except to the extent that such liability may be satisfied by and out of the funds of such special employment and training services fund created by this section.

(b) Whenever the balance in the special employment and training services fund exceeds eight million five hundred thousand dollars (\$8,500,000), the ~~board department~~ shall order payment of the amount that exceeds eight million five hundred thousand dollars (\$8,500,000) into the unemployment insurance benefit fund.

(c) Subject to ~~the approval of the board, and~~ the availability of funds, on July 1 each year the commissioner shall release:

- (1) one million dollars (\$1,000,000) to the state educational institution established under IC 21-25-2-1 for training provided to participants in apprenticeship programs approved by the United States Department of Labor, Bureau of Apprenticeship and Training;
- (2) four million dollars (\$4,000,000) to the state educational institution instituted and incorporated under IC 21-22-2-1 for training provided to participants in joint labor and management apprenticeship programs approved by the United States Department of Labor, Bureau of Apprenticeship and Training;
- (3) two hundred fifty thousand dollars (\$250,000) for journeyman upgrade training to each of the state educational institutions described in subdivisions (1) and (2);
- (4) four hundred thousand dollars (\$400,000) annually for training and counseling assistance:

(A) provided by Hometown Plans under 41 CFR 60-4.5; and

(B) approved by the United States Department of Labor, Bureau of Apprenticeship and Training;

to individuals who have been unemployed for at least four (4) weeks or whose annual income is less than twenty thousand dollars (\$20,000); and

(5) three hundred thousand dollars (\$300,000) annually for training and counseling assistance provided by the state institution established under IC 21-25-2-1 to individuals who have been unemployed for at least four (4) weeks or whose annual income is less than twenty thousand dollars (\$20,000) for the purpose of enabling those individuals to apply for admission to apprenticeship programs offered by providers approved by the United States Department of Labor, Bureau of Apprenticeship and Training.

(d) Each state educational institution described in subsection (c) is entitled to keep ten percent (10%) of the funds released under subsection (c) for the payment of costs of administering the funds. On each June 30 following the release of the funds, any funds released under subsection (c) not used by the state educational institutions under subsection (c) shall be returned to the special employment and training services fund.

SECTION 38. IC 22-4-26-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. There is established a special fund to be known as the unemployment insurance benefit fund which shall be administered separate and apart from all public money or funds of the state. This fund shall consist of:

(1) all contributions, all payments in lieu of contributions, all money received from the federal government as reimbursements pursuant to section 204 of the Federal-State Extended Compensation Act of 1970, and all money paid into and received by it as provided in this article;

(2) any property or securities and the earnings thereof acquired through the use of money belonging to the fund;

(3) all other money received for the fund from any other source;

(4) all money credited to this state's account in the unemployment trust fund pursuant to 42 U.S.C. 1103, as amended; and

(5) interest earned from all money in the fund.

Subject to the provisions of this article, the ~~board department~~

is vested with full power, authority, and jurisdiction over the fund, including all money and property or securities belonging thereto, and may perform any and all acts whether or not specifically designated in this article which are necessary or convenient in the administration thereof consistent with the provisions of this article and the Depository Act. The money in this fund shall be used only for the payment of unemployment compensation benefits.

SECTION 39. IC 22-4-26-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The treasurer of state shall be ex officio treasurer and custodian of the fund and shall administer the fund in accordance with the provisions of this article and the directions of the commissioner and shall pay all warrants drawn upon it in accordance with such rules as the **board department** may prescribe. All contributions provided for in this article shall be paid to and collected by the department. All contributions and other money payable to the fund as provided in this article upon receipt thereof by the department shall be paid to and deposited with the treasurer of state to the credit of the unemployment insurance benefit fund. The commissioner shall immediately order the auditor of state to issue the auditor's warrant on the treasurer of state immediately to forward such money and deposit it, together with any money earned thereby while in the treasurer's custody and any other money received by the treasurer for the payment of benefits from any source other than the unemployment trust fund, with the Secretary of the Treasury of the United States of America to the credit of the unemployment trust fund. All money belonging to the unemployment insurance benefit fund and not otherwise deposited, invested, or paid over pursuant to the provisions of this article may be deposited by the treasurer of state under the direction of the commissioner in any banks or public depositories in which general funds of the state may be deposited, but no public deposit insurance charge or premium shall be paid out of money in the unemployment insurance benefit fund, any other provisions of law to the contrary notwithstanding. The treasurer of state shall, if required by the Social Security Administration, give a separate bond conditioned upon the faithful performance of the treasurer's duties as custodian of the fund in an amount and with such sureties as shall be fixed and approved by the governor. Premiums for the said bond shall be paid as provided in IC 22-4-24.

SECTION 40. IC 22-4-28-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. If any money received after June 30, 1941, from the Social Security Administration under 42 U.S.C. 501 through 504, or any unencumbered balances in the employment and training services administration fund as of June 30, 1941, or any money granted after June 30, 1941 to this state under 29 U.S.C. 49 et seq. or any money made available by this state or its political subdivisions and matched by such money granted to this state under 29 U.S.C. 49 et seq. is found by the Secretary of Labor because of any action or contingency to have been lost or been expended for purposes other than or in amounts in excess of those found necessary by the Secretary of Labor for the proper administration of this article, it is the policy of this state that upon receipt of notice of such a finding by the Secretary of Labor the **board department** shall promptly report the amount required for such replacement to the governor, and the governor shall at the earliest opportunity submit to the general assembly a request for the appropriation of such amount. This section shall not be construed to relieve this state of its obligation with respect to funds received prior to July 1, 1941, under 49 U.S.C. 501 through 504.

SECTION 41. IC 22-4-29-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Contributions unpaid on the date on which they are due and payable, as prescribed by the commissioner, shall bear interest at the rate of one percent (1%) per month or fraction thereof

from and after such date until payment, plus accrued interest, is received by the department. The **board department** may prescribe fair and reasonable regulations pursuant to which such interest shall not accrue.

(b) If the failure to pay any part or all of the delinquent contributions is due to negligence or intentional disregard of authorized rules, regulations, or notices, but without intent to defraud, there shall be added, as a penalty, ten percent (10%) of the total amount of contributions unpaid, which penalty shall become due and payable upon notice and demand by the commissioner.

(c) If the commissioner finds that the failure to pay any part or all of delinquent contributions is due to fraud with intent to evade the payment of contributions, there shall be added, as a penalty, fifty percent (50%) of the total amount of delinquent contributions, which penalty shall become due and payable upon notice and demand by the commissioner.

(d) Interest and penalties collected pursuant to this section shall be paid into the special employment and training services fund.

SECTION 42. IC 22-4-29-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) Unless an assessment is paid in full within seven (7) days after it becomes final, the commissioner or the commissioner's representative may file with the clerk of the circuit court of any county in the state a warrant in duplicate, directed to the sheriff of such county, commanding the sheriff to levy upon and sell the property, real and personal, tangible and intangible, of the employing unit against whom the assessment has been made, in sufficient quantity to satisfy the amount thereof, plus damages to the amount of ten percent (10%) of such assessment, which shall be in addition to the penalties prescribed in this article for delinquent payment, and in addition to the interest at the rate of one percent (1%) per month upon the unpaid contribution from the date it was due, to the date of payment of the warrant, and in addition to all costs incident to the recording and execution thereof. The remedies by garnishment and proceedings supplementary to execution as provided by law shall be available to the **board department** to effectuate the purposes of this chapter. Within five (5) days after receipt of a warrant under this section, the clerk shall:

- (1) retain the duplicate copy of the warrant;
- (2) enter in the judgment record in the column for judgment debtors the name of the employing unit stated in the warrant, or if the employing unit is a partnership, the names of the partners;
- (3) enter the amount sought by the warrant;
- (4) enter the date the warrant was received; and
- (5) certify the original warrant and return it to the department.

(b) Five (5) days after the clerk receives a warrant under subsection (a), the amount sought in the warrant, the damages to an amount of ten percent (10%) of the assessment as provided in subsection (a), penalties, and interest described in subsection (a) become a lien upon the title to and interest in the real and personal property of the employing unit.

SECTION 43. IC 22-4-31-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The collection of the whole or any part of the amount of such assessment may be stayed for not exceeding sixty (60) days, by filing with the **board department** a bond in such amount, not exceeding double the amount as to which the stay is desired, and with such sureties as the **board department** considers necessary, conditioned upon payment of the amount which may finally be found to be due after notice and opportunity to be heard as herein provided.

SECTION 44. IC 22-4-32-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. Upon receipt of such protest in writing, the commissioner promptly shall refer the written protest to the liability administrative law

judge who shall set a date for a hearing before the liability administrative law judge and notify the interested parties thereof by registered mail. Unless such written protest is withdrawn, the liability administrative law judge, after affording the parties a reasonable opportunity for a fair hearing, shall make findings and conclusions, and, on the basis thereof, affirm, modify, or reverse the initial determination of the ~~board~~ **department**.

SECTION 45. IC 22-4-32-23, AS AMENDED BY P.L.42-2011, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 23. (a) As used in this section:

(1) "Dissolution" refers to dissolution of a corporation under IC 23-1-45 through IC 23-1-48 or dissolution under Indiana law of an association, a joint venture, an estate, a partnership, a limited liability partnership, a limited liability company, a joint stock company, or an insurance company (referred to as a "noncorporate entity" in this section).

(2) "Liquidation" means the operation or act of winding up a corporation's or entity's affairs, when normal business activities have ceased, by settling its debts and realizing upon and distributing its assets.

(3) "Withdrawal" refers to the withdrawal of a foreign corporation from Indiana under IC 23-1-50.

(b) The officers and directors of a corporation effecting dissolution, liquidation, or withdrawal or the appropriate individuals of a noncorporate entity shall do the following:

(1) File all necessary documents with the department in a timely manner as required by this article.

(2) Make all payments of contributions to the department in a timely manner as required by this article.

(3) File with the department a form of notification within thirty (30) days of the adoption of a resolution or plan. The form of notification shall be prescribed by the department and may require information concerning:

(A) the corporation's or noncorporate entity's assets;

(B) the corporation's or noncorporate entity's liabilities;

(C) details of the plan or resolution;

(D) the names and addresses of corporate officers, directors, and shareholders or the noncorporate entity's owners, members, or trustees;

(E) a copy of the minutes of the shareholders' meeting or the noncorporate entity's meeting at which the plan or resolution was formally adopted; and

(F) such other information as the ~~board~~ **department** may require.

The commissioner may accept, in lieu of the department's form of notification, a copy of Form 966 that the corporation filed with the Internal Revenue Service.

(c) Unless a clearance is issued under subsection (g), for a period of one (1) year following the filing of the form of notification with the department, the corporate officers and directors of a corporation and the chief executive of a noncorporate entity remain personally liable, subject to IC 23-1-35-1(e), for any acts or omissions that result in the distribution of corporate or noncorporate entity assets in violation of the interests of the state. An officer or director of a corporation or a chief executive of a noncorporate entity held liable for an unlawful distribution under this subsection is entitled to contribution:

(1) from every other director who voted for or assented to the distribution, subject to IC 23-1-35-1(e); and

(2) from each shareholder, owner, member, or trustee for the amount the shareholder, owner, member, or trustee accepted.

(d) The corporation's officers' and directors' and the noncorporate entity's chief executive's personal liability includes all contributions, penalties, interest, and fees associated with the collection of the liability due the department. In addition to the penalties provided elsewhere in this article, a penalty of up to

thirty percent (30%) of the unpaid contributions may be imposed on the corporate officers and directors and the noncorporate entity's chief executive for failure to take reasonable steps to set aside corporate assets to meet the liability due the department.

(e) If the department fails to begin a collection action against a corporate officer or director or a noncorporate entity's chief executive within one (1) year after the filing of a completed form of notification with the department, the personal liability of the corporate officer or director or noncorporate entity's chief executive expires. The filing of a substantially blank form of notification or a form containing misrepresentation of material facts does not constitute filing a form of notification for the purpose of determining the period of personal liability of the officers and directors of the corporation or the chief executive of the noncorporate entity.

(f) In addition to the remedies contained in this section, the department is entitled to pursue corporate assets that have been distributed to shareholders or noncorporate entity assets that have been distributed to owners, members, or beneficiaries, in violation of the interests of the state. The election to pursue one (1) remedy does not foreclose the state's option to pursue other legal remedies.

(g) The department may issue a clearance to a corporation or noncorporate entity effecting dissolution, liquidation, or withdrawal if:

(1) the:

(A) officers and directors of the corporation have; or

(B) chief executive of the noncorporate entity has;

met the requirements of subsection (b); and

(2) request for the clearance is made in writing by the officers and directors of the corporation or chief executive of the noncorporate entity within thirty (30) days after the filing of the form of notification with the department.

(h) The issuance of a clearance by the department under subsection (g) releases the officers and directors of a corporation and the chief executive of a noncorporate entity from personal liability under this section.

SECTION 46. IC 22-4-33-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) Except for fees charged under IC 22-4-17-12, no individual claiming benefits may be charged fees of any kind in a proceeding by ~~the board~~; the review board, an administrative law judge, or the representative of ~~any~~ **either** of them or by any court or any officer thereof.

(b) An individual claiming benefits in a proceeding before ~~the board~~; the review board, an administrative law judge, or a court may be represented by counsel or other authorized agent, but no counsel or agent may charge or receive for ~~his~~ **the counsel's or agent's** service more than an amount approved by the ~~board~~ or review board.

SECTION 47. IC 22-4-34-5, AS AMENDED BY P.L.108-2006, SECTION 62, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. A person who knowingly fails to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, in obedience to a subpoena of ~~the board~~; the department, the review board, an administrative law judge, or any duly authorized representative of any of them, commits a Class C misdemeanor. Each day a violation continues constitutes a separate offense.

SECTION 48. IC 22-4-35-1, AS AMENDED BY P.L.161-2006, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. In any civil action to enforce the provisions of this article, the department, commissioner, state workforce innovation council, ~~unemployment insurance board~~, unemployment insurance review board, and the state may be represented by any qualified attorney who is a regular salaried employee of the department and is designated by it for this purpose or, at the director's

request, by the attorney general of the state. In case the governor designates special counsel to defend, on behalf of the state, the validity of this article, the expenses and compensation of such special counsel and of any experts employed by the commissioner in connection with such proceedings may be charged to the employment and training services administration fund.

SECTION 49. IC 22-4-37-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) If at any time the governor of Indiana shall find that the tax imposed by 42 U.S.C. 1101 through 1109, as amended, has been amended or repealed by Congress or has been held unconstitutional by the Supreme Court of the United States with the result that no portion of the contributions required by this article may be credited against such tax, or if this article is declared inoperative by the supreme court of Indiana, the governor of Indiana shall publicly so proclaim, and upon the date of such proclamation the provisions of this article requiring the payment of contributions and benefits shall be suspended for a period ending not later than the last day of the next following regular or special session of the general assembly of the state of Indiana. The ~~board~~ **department** shall thereupon requisition from the unemployment trust fund all moneys therein standing to its credit and shall direct the treasurer of state of Indiana to deposit such moneys, together with any other moneys in the fund, as a special fund in any banks or public depositories in this state in which general funds of the state may be deposited.

(b) Unless prior to the expiration of such period, the general assembly of the state of Indiana has made provision for an employment security law in this state and has directed that the funds so deposited shall be used for the payment of benefits in this state, the provisions of this article shall cease to be operative, and the ~~board~~ **department** shall, under rules prescribed by ~~it~~, **the department**, refund without interest to each person by whom contributions have been paid ~~it's~~ **the person's** pro rata share of the total contributions paid under this article.

SECTION 50. IC 22-4.1-2-2, AS AMENDED BY P.L.69-2015, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The department includes the following entities:

- ~~(1) The unemployment insurance board;~~
- ~~(2) The unemployment insurance review board.~~
- ~~(3) (2) State workforce innovation council established by IC 22-4.1-22-3.~~

SECTION 51. IC 22-4.1-4-8, AS ADDED BY P.L.69-2015, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The department annually shall prepare a written report of its training activities and the training activities of the workforce service area during the immediately preceding state fiscal year. The department's annual report for a particular state fiscal year must include information for each training project for which either the department or the workforce service area provided any funding during that state fiscal year. At a minimum, the following information must be provided for each training project:

- (1) A description of the training project, including the name and address of the training provider.
- (2) The amount of funding that either the department or the workforce service area provided for the project and an indication of which entity provided the funding.
- (3) The number of trainees who participated in the project.
- (4) Demographic information about the trainees, including:
  - (A) the age of each trainee;
  - (B) the education attainment level of each trainee; and
  - (C) for those training projects that have specific gender requirements, the gender of each trainee.
- (5) The results of the project, including:
  - (A) skills developed by trainees;

- (B) any license or certification associated with the training project;
- (C) the extent to which trainees have been able to secure employment or obtain better employment; and
- (D) descriptions of the specific jobs which trainees have been able to secure or to which trainees have been able to advance.

(b) With respect to trainees that have been able to secure employment or obtain better employment, the department shall compile data on the retention rates of those trainees in the jobs which the trainees secured or to which they advanced. The department shall include information concerning those retention rates in each of its annual reports.

(c) On or before October 1 of each state fiscal year, each workforce service area shall provide the department with a written report of its training activities for the immediately preceding state fiscal year. The workforce service area shall prepare the report in the manner prescribed by the department. However, at a minimum, the workforce service area shall include in its report the information required by subsection (a) for each training project for which the workforce service area provided any funding during the state fiscal year covered by the report. In addition, the workforce service area shall include in each report retention rate information as set forth in subsection (b).

(d) The department shall provide a copy of its annual report for a particular state fiscal year to the:

- (1) governor; **and**
- (2) legislative council; **and**
- ~~(3) unemployment insurance board;~~

on or before December 1 of the immediately preceding state fiscal year. An annual report provided under this subsection to the legislative council must be in an electronic format under IC 5-14-6.

SECTION 52. [EFFECTIVE UPON PASSAGE] (a) **As used in this SECTION, "legislative council" refers to the legislative council established by IC 2-5-1.1-1.**

(b) **The legislative council is urged to assign to the interim study committee on employment and labor established by IC 2-5-1.3-4 or another appropriate interim study committee during the 2016 legislative interim the topic of establishing a committee or board to oversee:**

- (1) **the unemployment insurance benefit fund established by IC 22-4-26-1; and**
- (2) **the special employment and training services fund established by IC 22-4-25-1.**

(c) **If the topic described in subsection (b) is assigned to an interim study committee, the interim study committee shall issue a final report to the legislative council containing the interim study committee's findings and recommendations, including any recommended legislation, in an electronic format under IC 5-14-6 not later than November 1, 2016.**

**(d) This SECTION expires December 31, 2016.**

SECTION 53. **An emergency is declared for this act.**

(Reference is to EHB 1344 as reprinted February 26, 2016.)

LEONARD	BOOTS
MOSELEY	TALLIAN
House Conferees	Senate Conferees

Roll Call 406: yeas 98, nays 0. Report adopted.

#### CONFERENCE COMMITTEE REPORT ESB 187-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill 187 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House

amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 16-18-2-298.5, AS ADDED BY P.L.138-2006, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 298.5. (a) "Public health authority", for purposes of IC 16-22-8 and IC 16-41-9, means:

- (1) the state health commissioner of the state department;
- (2) a deputy or an assistant state health commissioner appointed by the state health commissioner, or an agent expressly authorized by the state health commissioner;
- (3) the local health officer; or
- (4) a health and hospital corporation established under IC 16-22-8-6.

(b) "Public health authority", for purposes of IC 16-42-27, means any of the following who is a licensed prescriber:

- (1) A deputy or assistant state health commissioner appointed by the state health commissioner to act as a public health authority.
- (2) An agent employed by the state department that is expressly authorized by the state health commissioner to act as a public health authority.

SECTION 2. IC 16-19-4-4, AS AMENDED BY P.L.126-2012, SECTION 36, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) The state health commissioner is governed in the performance of the state health commissioner's official duties by IC 4-2-6 and IC 35-44.1-1-4 concerning ethics and conflict of interest.

(b) To learn professional skills and to become familiar with new developments in the field of medicine, **and except as provided in IC 16-42-27-2(f)**, the state health commissioner may, in an individual capacity as a licensed physician and not in an official capacity as state health commissioner, engage in the practice of medicine if the practice of medicine does not interfere with the performance of the state health commissioner's duties as state health commissioner.

SECTION 3. IC 16-19-4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. **This section does not apply to the prescribing, dispensing, or issuance of a standing order for an overdose intervention drug under IC 16-42-27-2.** Any medical care provided to a patient by the state health commissioner is provided by the state health commissioner in an individual capacity as a licensed physician and the state is not liable for any act performed by the state health commissioner in this capacity.

SECTION 4. IC 16-31-3-23.7, AS ADDED BY P.L.32-2015, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 23.7. (a) An advanced emergency medical technician, an emergency medical responder, an emergency medical technician, a firefighter, a volunteer firefighter, a law enforcement officer, or a paramedic who:

- (1) administers an overdose intervention drug; or
- (2) is summoned immediately after ~~administering the an~~ overdose intervention drug **is administered;**

~~shall report inform the emergency ambulance service responsible for submitting the report to the commission of the number of times an overdose intervention drug is dispensed to the state department under the state trauma registry in compliance with rules adopted by the state department. has been administered.~~

(b) The emergency ambulance service shall include information received under subsection (a) in the emergency ambulance service's report to the commission under the emergency medical services system review in accordance with the commission's rules.

SECTION 5. IC 16-42-27-1, AS ADDED BY P.L.32-2015, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. As used in this chapter, "prescriber" means any of the following:

- (1) A physician licensed under IC 25-22.5.
- (2) A physician assistant licensed under IC 25-27.5 and granted the authority to prescribe by the physician assistant's supervisory physician and in accordance with IC 25-27.5-5-4.
- (3) An advanced practice nurse licensed and granted the authority to prescribe drugs under IC 25-23.
- (4) The state health commissioner, if the state health commissioner holds an active license under IC 25-22.5.**
- (5) A public health authority.**

SECTION 6. IC 16-42-27-2, AS ADDED BY P.L.32-2015, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) A prescriber may, directly or by standing order, prescribe or dispense an overdose intervention drug without examining the individual to whom it may be administered if all of the following conditions are met:

- (1) The overdose intervention drug is dispensed or prescribed to:
  - (A) a person at risk of experiencing an opioid-related overdose; or
  - (B) a family member, a friend, or any other individual or entity in a position to assist an individual who, there is reason to believe, is at risk of experiencing an opioid-related overdose.
- (2) The prescriber instructs the individual receiving the overdose intervention drug or prescription to summon emergency services either immediately before or immediately after administering the overdose intervention drug to an individual experiencing an opioid-related overdose.
- (3) The prescriber provides education and training on drug overdose response and treatment, including the administration of an overdose intervention drug.
- (4) The prescriber provides drug addiction treatment information and referrals to drug treatment programs, including programs in the local area and programs that offer medication assisted treatment that includes a federal Food and Drug Administration approved long acting, nonaddictive medication for the treatment of opioid or alcohol dependence.

(b) A prescriber may provide a prescription of an overdose intervention drug to an individual as a part of the individual's addiction treatment plan.

(c) An individual described in subsection (a)(1) may administer an overdose intervention drug to an individual who is suffering from an overdose.

(d) An individual described in subsection (a)(1) may not be considered to be practicing medicine without a license in violation of IC 25-22.5-8-2, if the individual, acting in good faith, does the following:

- (1) Obtains the overdose intervention drug from a prescriber **or entity acting under a standing order issued by a prescriber.**
- (2) Administers the overdose intervention drug to an individual who is experiencing an apparent opioid-related overdose.
- (3) Attempts to summon emergency services either immediately before or immediately after administering the overdose intervention drug.

(e) An entity acting under a standing order issued by a prescriber must do the following:

- (1) Annually register with either the:
  - (A) state department; or
  - (B) local health department in the county where services will be provided by the entity;

in a manner prescribed by the state department.

(2) Provide education and training on drug overdose response and treatment, including the administration of an overdose intervention drug.

(3) Provide drug addiction treatment information and referrals to drug treatment programs, including programs in the local area and programs that offer medication assisted treatment that includes a federal Food and Drug Administration approved long acting, nonaddictive medication for the treatment of opioid or alcohol dependence.

**(4) Submit an annual report to the state department containing:**

**(A) the number of sales of the overdose intervention drug dispensed;**

**(B) the dates of sale of the overdose intervention drug dispensed; and**

**(C) any additional information requested by the state department.**

**(f) The state department shall ensure that a statewide standing order for the dispensing of an overdose intervention drug in Indiana is issued under this section. The state health commissioner or a designated public health authority who is a licensed prescriber may, as part of the individual's official capacity, issue a statewide standing order that may be used for the dispensing of an overdose intervention drug under this section. The immunity provided in IC 34-13-3-3 applies to an individual described in this subsection.**

**(g) A law enforcement officer may not take an individual into custody based solely on the commission of an offense described in subsection (h), if the law enforcement officer, after making a reasonable determination and considering the facts and surrounding circumstances, reasonably believes that the individual:**

**(1) obtained the overdose intervention drug as described in subsection (a)(1);**

**(2) complied with the provisions in subsection (d);**

**(3) administered an overdose intervention drug to an individual who appeared to be experiencing an opioid-related overdose;**

**(4) provided:**

**(A) the individual's full name; and**

**(B) any other relevant information requested by the law enforcement officer;**

**(5) remained at the scene with the individual who reasonably appeared to be in need of medical assistance until emergency medical assistance arrived;**

**(6) cooperated with emergency medical assistance personnel and law enforcement officers at the scene; and**

**(7) came into contact with law enforcement because the individual requested emergency medical assistance for another individual who appeared to be experiencing an opioid-related overdose.**

**(h) An individual who meets the criteria in subsection (g) is immune from criminal prosecution for the following:**

**(1) IC 35-48-4-6 (possession of cocaine).**

**(2) IC 35-48-4-6.1 (possession of methamphetamine).**

**(3) IC 35-48-4-7 (possession of a controlled substance).**

**(4) IC 35-48-4-8.3 (possession of paraphernalia).**

**(5) IC 35-48-4-11 (possession of marijuana).**

**(6) IC 35-48-4-11.5 (possession of a synthetic drug or synthetic drug lookalike substance).**

(Reference is to ESB 187 as reprinted February 26, 2016.)

MERRITT

MCNAMARA

MRVAN

GOODIN

Senate Conferees

House Conferees

Roll Call 407: yeas 98, nays 1. Report adopted.

## CONFERENCE COMMITTEE REPORT

### ESB 206-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill 206 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 4-21.5-3-6, AS AMENDED BY P.L.186-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) Notice shall be given under this section concerning the following:

(1) A safety order under IC 22-8-1.1.

(2) Any order that:

(A) imposes a sanction on a person or terminates a legal right, duty, privilege, immunity, or other legal interest of a person;

(B) is not described in section 4 or 5 of this chapter or IC 4-21.5-4; and

(c) by statute becomes effective without a proceeding under this chapter if there is no request for a review of the order within a specified period after the order is issued or served.

(3) A notice of program reimbursement or equivalent determination or other notice regarding a hospital's reimbursement issued by the office of Medicaid policy and planning or by a contractor of the office of Medicaid policy and planning regarding a hospital's year end cost settlement.

(4) A determination of audit findings or an equivalent determination by the office of Medicaid policy and planning or by a contractor of the office of Medicaid policy and planning arising from a Medicaid postpayment or concurrent audit of a hospital's Medicaid claims.

(5) A license suspension or revocation under:

(A) IC 24-4.4-2;

(B) IC 24-4.5-3;

(c) IC 28-1-29;

(D) IC 28-7-5;

(E) IC 28-8-4; or

(F) IC 28-8-5.

(6) An order issued by the

~~(A) division of aging or the bureau of aging services; or~~

~~(B) division of disability and rehabilitative services or the bureau of developmental disabilities services;~~

**secretary or the secretary's designee** against providers regulated by the division of aging or the bureau of developmental disabilities services and not licensed by the state department of health under IC 16-27 or IC 16-28.

(b) When an agency issues an order described by subsection (a), the agency shall give notice to the following persons:

(1) Each person to whom the order is specifically directed.

(2) Each person to whom a law requires notice to be given.

A person who is entitled to notice under this subsection is not a party to any proceeding resulting from the grant of a petition for review under section 7 of this chapter unless the person is designated as a party in the record of the proceeding.

(c) The notice must include the following:

(1) A brief description of the order.

(2) A brief explanation of the available procedures and the time limit for seeking administrative review of the order under section 7 of this chapter.

(3) Any other information required by law.

(d) An order described in subsection (a) is effective fifteen (15) days after the order is served, unless a statute other than this article specifies a different date or the agency specifies a later date in its order. This subsection does not preclude an agency from issuing, under IC 4-21.5-4, an emergency or other temporary order concerning the subject of an order described in subsection (a).

(e) If a petition for review of an order described in subsection (a) is filed within the period set by section 7 of this chapter and a petition for stay of effectiveness of the order is filed by a party or another person who has a pending petition for intervention in the proceeding, an administrative law judge shall, as soon as practicable, conduct a preliminary hearing to determine whether the order should be stayed in whole or in part. The burden of proof in the preliminary hearing is on the person seeking the stay. The administrative law judge may stay the order in whole or in part. The order concerning the stay may be issued after an order described in subsection (a) becomes effective. The resulting order concerning the stay shall be served on the parties and any person who has a pending petition for intervention in the proceeding. It must include a statement of the facts and law on which it is based.

SECTION 2. IC 4-24-6-4, AS AMENDED BY P.L.188-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) This section does not apply to a patient in an institution listed in IC 12-24-1-3 if the patient is in a unit that is a Medicaid certified intermediate care facility for ~~the mentally retarded individuals with intellectual disabilities~~.

(b) Any interest or income derived from the deposit or investment of funds held in trust for any patient or inmate shall be transferred from such trust fund to a special fund to be known as the "patients' recreation fund" or "inmates' recreation fund"; provided, that in the event a trust fund has been established in any institution, which trust fund is in existence on July 1, 1957, and there is a deficiency in the amount of money that properly belongs in such trust fund, the income derived from any trust fund established under the provisions of this chapter shall be paid into the trust fund until the deficiency has been fully paid.

SECTION 3. IC 7.1-3-1-29, AS ADDED BY P.L.196-2015, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 29. (a) For purposes of this section, "health facility" does not include an intermediate care facility for ~~the mentally retarded individuals with intellectual disabilities~~.

(b) As used in this section, "senior residence facility" means a:

- (1) health facility licensed under IC 16-28; or
- (2) housing with services establishment (as defined in IC 12-10-15-3).

(c) For purposes of this section, "senior residence facility campus" means a senior residence facility and the property on which a senior residence facility is located.

(d) A senior residence facility may, without a permit issued under this title, possess and give or furnish an alcoholic beverage, by the bottle or by the glass, on the premises of the senior residence facility campus for consumption on the premises to any of the following:

- (1) A resident who:
  - (A) is not a minor; and
  - (B) resides on the premises of the senior residence facility.
- (2) A guest or family member of a resident described in subdivision (1) who:
  - (A) is not a minor; and
  - (B) is visiting the resident at the senior residence facility.

(e) Subject to subsection (f), this section may not be

construed to authorize a senior residence facility to sell alcoholic beverages on the premises of the senior residence facility campus without a permit under this title.

(f) For purposes of this section, a senior residence facility that:

- (1) charges a:
  - (A) room and board fee to residents of the senior residence facility; or
  - (B) fee for organizing activities for:
    - (i) residents of the senior residence facility; and
    - (ii) guests or family members of the residents;
- (2) uses a portion of a fee described in subdivision (1) to:
  - (A) purchase alcoholic beverages; and
  - (B) furnish the alcoholic beverages to individuals described in subsection (d); and
- (3) does not purchase and furnish the alcoholic beverages for profit;

is not considered to be selling alcoholic beverages.

SECTION 4. IC 12-7-2-59 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 59. (a) **Except as provided in subsection (b), "designee" for purposes of IC 12-10-12, has the meaning set forth in IC 12-10-12-2: means an office director, division director, or other employee of the office of the secretary with expertise or knowledge concerning the area for which the individual is being designated.**

**(b) The definition set forth in subsection (a) does not apply to the following:**

- (1) Designations for purposes of administrative proceedings under IC 4-21.5.**
- (2) IC 12-11-1.1-10.**
- (3) IC 12-15-11-2.5.**
- (4) IC 12-15-13-3.5.**
- (5) IC 12-15-13-4.**
- (6) Designations of superintendents under IC 12-21-2-3 or IC 12-24-2-2.**
- (7) IC 12-30-2-15.**

SECTION 5. IC 12-7-2-61, AS AMENDED BY P.L.229-2011, SECTION 107, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 61. (a) Except as provided in subsection (b), "developmental disability" means a severe, chronic disability of an individual that meets all of the following conditions:

- (1) Is attributable to:
  - (A) intellectual disability, cerebral palsy, epilepsy, or autism; or
  - (B) any other condition (other than a sole diagnosis of mental illness) found to be closely related to intellectual disability, because this condition results in similar impairment of general intellectual functioning or adaptive behavior or requires treatment or services similar to those required for a person with an intellectual disability.
- (2) Is manifested before the individual is twenty-two (22) years of age.
- (3) Is likely to continue indefinitely.
- (4) Results in substantial functional limitations in at least three (3) of the following areas of major life activities:
  - (A) Self-care.
  - (B) Understanding and use of language.
  - (C) Learning.
  - (D) Mobility.
  - (E) Self-direction.
  - (F) Capacity for independent living.
  - (G) Economic self-sufficiency.

(b) The definition in subsection (a) does not apply and may not affect services provided to an individual receiving:

- (1) home and community based Medicaid waiver; or
- (2) ~~ICF/MR~~; **ICF/IID**;

services through the division on June 30, 2011.



SECTION 6. IC 12-7-2-134, AS AMENDED BY P.L.160-2012, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 134. "Office" means the following:

- (1) Except as provided in subdivisions (2) through ~~(4)~~; **(5)**, the office of ~~Medicaid policy and planning~~ the secretary established by ~~IC 12-8-6.5-1~~; **IC 12-8-1.5-1**.
- (2) For purposes of IC 12-10-13, the meaning set forth in IC 12-10-13-4.
- (3) For purposes of IC 12-15-13, the meaning set forth in IC 12-15-13-0.4.
- (4) For purposes of IC 12-17.2-7.2, the meaning set forth in IC 12-17.2-7.2-3.**
- ~~(4)~~ **(5)** For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-4.

SECTION 7. IC 12-7-2-135, AS AMENDED BY P.L.160-2012, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 135. "Office of the secretary" refers to the office of the secretary of family and social services established by IC 12-8-1.5-1, **its offices, or divisions.**

SECTION 8. IC 12-8-1.5-4, AS ADDED BY P.L.160-2012, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. **(a)** The secretary may hire personnel necessary to perform the duties of each office.

**(b) Except as provided in subsection (c), the secretary is the appointing authority for the office of family and social services, including the divisions, offices, and institutions of the office of family and social services.**

**(c) The secretary may delegate the appointing authority for a division, office, institution, or other group of employees subject to IC 4-15-2.2.**

**(d) The delegation of the appointing authority under subsection (c) may affect the procedure and the division, office, institution, or other group of employees affected by actions under IC 4-15-2.2-40.**

SECTION 9. IC 12-8-8.5-3, AS AMENDED BY P.L.39-2015, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. **(a)** The secretary is the appointing authority for the division.

**(b) The secretary may delegate a division director or other employee of the office of the secretary to make division appointments and decisions concerning current appointments.**

**(c) Except as provided in subsection (d), the secretary is the appointing authority for the office of family and social services, including the divisions, offices, and institutions of the office of family and social services.**

**(d) The secretary may delegate the appointing authority for a division, office, institution, or other group of employees subject to IC 4-15-2.2.**

**(e) The delegation of the appointing authority under subsection (d) may affect the procedure and the division, office, institution, or other group of employees affected by actions under IC 4-15-2.2-40.**

SECTION 10. IC 12-8-8.5-5, AS AMENDED BY P.L.39-2015, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. **(a)** The secretary is the ultimate authority under IC 4-21.5 for purposes of the operation of the division and the programs of the division.

**(b) The secretary may delegate an individual to serve as the ultimate authority.**

SECTION 11. IC 12-9-2-3, AS AMENDED BY P.L.153-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. **(a)** The ~~director~~ **secretary or the secretary's designee** may do the following:

- (1) Employ experts and consultants to assist the division in carrying out the division's functions.

**(2) Issue orders under IC 4-21.5-3-6.**

**(3) Perform any other acts necessary to carry out the functions of the division.**

**(b) The director may do the following:**

- ~~(2)~~ **(1)** Utilize, with their consent, the services and facilities of other state agencies without reimbursement.
- ~~(3)~~ **(2)** Accept in the name of the division, for use in carrying out the functions of the division, money or property received by gift, bequest, or otherwise.
- ~~(4)~~ **(3)** Accept voluntary and uncompensated services.
- ~~(5)~~ **(4)** Expend money made available to the division according to policies enforced by the budget agency.
- ~~(6)~~ **Adopt rules under IC 4-22-2 necessary to carry out the functions of the division.**
- ~~(7)~~ **(5)** Establish and implement the policies and procedures necessary to carry out the functions of the division.
- ~~(8)~~ **Issue orders under IC 4-21.5-3-6.**
- ~~(9)~~ **(6)** Perform any other acts necessary to carry out the functions of the division **as delegated by the secretary or consistent with the director's duties.**

~~(b) (c)~~ **(c)** The director shall compile information and statistics from each bureau concerning the ethnicity and gender of a program or service recipient. ~~The director may adopt rules under IC 4-22-2 necessary to implement this subsection.~~

SECTION 12. IC 12-9.1-2-3, AS AMENDED BY P.L.153-2011, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. **(a)** The ~~director~~ **secretary or the secretary's designee** may do the following:

- (1) Employ experts and consultants to assist the division in carrying out the division's functions.
- (2) Issue orders under IC 4-21.5-3-6.**
- (3) Perform any other acts necessary to carry out the functions of the division.**
- (b) The director may do the following:**
  - ~~(2)~~ **(1)** Use, with their consent, the services and facilities of other state agencies without reimbursement.
  - ~~(3)~~ **(2)** Accept in the name of the division, for use in carrying out the functions of the division, money or property received by gift, bequest, or otherwise.
  - ~~(4)~~ **(3)** Accept voluntary and uncompensated services.
  - ~~(5)~~ **(4)** Expend money made available to the division according to policies enforced by the budget agency.
  - ~~(6)~~ **Adopt rules under IC 4-22-2 necessary to carry out the functions of the division.**
  - ~~(7)~~ **(5)** Establish and implement the policies and procedures necessary to carry out the functions of the division.
  - ~~(8)~~ **Issue orders under IC 4-21.5-3-6.**
  - ~~(9)~~ **(6)** Perform any other acts necessary to carry out the functions of the division **as delegated by the secretary or consistent with the director's statutory duties.**

~~(b) (c)~~ **(c)** The director shall compile information and statistics from each bureau concerning the ethnicity and gender of a program or service recipient. ~~The director may adopt rules under IC 4-22-2 necessary to implement this subsection.~~

SECTION 13. IC 12-10-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. The ~~director of the division~~ **secretary** shall adopt rules under IC 4-22-2 to implement this chapter.

SECTION 14. IC 12-10-11.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter, "institution" means any of the following:

- (1) A health facility licensed under IC 16-28.
- ~~(2) An intermediate care facility for the mentally retarded individuals with intellectual disabilities.~~

SECTION 15. IC 12-10-13-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. Subject to sections 10 through 12 of this chapter, the ~~director of the~~



~~division secretary or the secretary's designee~~ shall appoint the state long term care ombudsman to direct the office on a full-time basis.

SECTION 16. IC 12-10-13-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. The ~~director secretary or the secretary's designee~~ shall appoint an acting state ombudsman within thirty (30) days of a vacancy in the position of state ombudsman. The acting state ombudsman has the powers and duties of the state ombudsman.

SECTION 17. IC 12-10-13-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. The ~~director may not appoint as state ombudsman an individual who has may not have~~ been employed by a long term care facility or a home care service organization within one (1) year preceding the ~~director's~~ proposed appointment **by the secretary or the secretary's designee.**

SECTION 18. IC 12-10-13-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. The ~~director of the division secretary~~ shall adopt rules under IC 4-22-2 necessary to carry out this chapter.

SECTION 19. IC 12-10-14-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter, "bill payer" means a person appointed by the ~~bureau secretary or the secretary's designee~~ under this chapter to provide one (1) or more of the following services in order to assist a low income individual who is able to make responsible decisions about financial matters but needs assistance:

- (1) Paying bills each month and keeping records.
- (2) Establishing a budget.
- (3) Opening, organizing, and sending out mail.
- (4) Assisting the individual in check writing, with all checks to be signed by the individual.
- (5) Balancing checkbooks.
- (6) Making referrals to other agencies when necessary.

SECTION 20. IC 12-10-15-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) The ~~director secretary~~ shall adopt rules under IC 4-22-2 necessary to carry out this chapter.

(b) The ~~director secretary~~ shall adopt rules concerning the following:

- (1) Procedures for the posting of notices at housing with services establishments, area agencies on aging, and centers for independent living (as defined by IC 12-12-8-1) that advise residents of their rights under this chapter.
- (2) Procedures for residents and their representatives to file complaints with the director concerning violations of this chapter.

SECTION 21. IC 12-11-1.1-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. The ~~director of the division secretary~~ may adopt rules under IC 4-22-2 to carry out this chapter.

SECTION 22. IC 12-11-1.1-10, AS AMENDED BY P.L.246-2005, SECTION 101, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) The office may assess providers of community based services to individuals with a developmental disability who otherwise qualify to receive ~~ICF/MR~~ **ICF/IID** (as defined in IC 16-29-4-2) based services in an amount not to exceed six percent (6%) of all service revenue included on the annual plan of care excluding resident living allowances.

(b) The assessments shall be paid to the office not later than the tenth day of the month for each month that the individual is in service. The office or the office's designee may withhold Medicaid payments to a provider described in subsection (a) that fails to pay an assessment within thirty (30) days after the due date. The amount withheld may not exceed the amount of the assessments due.

(c) The community services quality assurance fund is created. The fund shall be administered by the office.

(d) Revenue from the assessments under this section shall be deposited into the fund. Money in the fund must be used for community services for persons with developmental disabilities.

(e) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(f) If federal financial participation to match the assessments in subsection (a) becomes unavailable under federal law, the authority to impose the assessments terminates on the date that the federal statutory, regulatory, or interpretive change takes effect.

SECTION 23. IC 12-11-2.1-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The bureau may not approve the initial placement of a developmentally disabled individual in an intermediate care facility for ~~the mentally retarded individuals with intellectual disabilities~~ serving more than eight (8) individuals or a nursing facility unless:

- (1) the individual has medical needs; and
  - (2) the placement is appropriate to the individual's needs.
- If the placement is in a nursing facility, that placement must be appropriate to an individual's needs based upon preadmission screening conducted under IC 12-10-12.

SECTION 24. IC 12-11-2.1-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. The ~~director of the division secretary~~ may adopt rules under IC 4-22-2 to carry out this chapter.

SECTION 25. IC 12-11-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The ~~director secretary~~ may adopt rules under IC 4-22-2 to implement this chapter.

SECTION 26. IC 12-11-13-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. The ~~director secretary or the secretary's designee~~ shall appoint an acting ombudsman within thirty (30) days of a vacancy in the position of the ombudsman. The acting ombudsman has the powers and duties of the ombudsman.

SECTION 27. IC 12-11-13-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. The ~~director of the division secretary~~ may adopt rules under IC 4-22-2 necessary to carry out this chapter.

SECTION 28. IC 12-12.5-1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The ~~director of the division secretary~~ may adopt rules under IC 4-22-2 necessary to carry out this chapter.

SECTION 29. IC 12-13-2-3, AS AMENDED BY P.L.39-2015, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The ~~director secretary~~ is responsible for the following:

- (1) The appointment of state investigators or boards of review provided by law that are necessary to ensure a fair hearing to an applicant or a recipient. A fair hearing shall be granted at the request of an aggrieved person who desires a hearing. The division shall review cases upon the request of an applicant, a recipient, or an aggrieved person.
- (2) The adoption of all policies for the division.
- (3) The administrative and executive duties and responsibilities of the division.
- (4) The establishment of salaries for the officers and employees of the division within the salary ranges of the pay plan adopted by the Indiana personnel advisory board and approved by the budget committee.
- (5) The establishment of minimum standards of assistance for old age and dependent children recipients. A standard established under this subdivision must apply to all individuals in Indiana.

SECTION 30. IC 12-13-5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The ~~director secretary or the secretary's designee~~ shall appoint necessary eligible personnel for the efficient performance of the

division's duties.

SECTION 31. IC 12-13-5-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The ~~director secretary or the secretary's designee~~ shall appoint a bureau head or an employee who reports directly to the director.

(b) The bureau head shall, with the approval of the ~~director, secretary or the secretary's designee~~, appoint each employee who reports directly to the head.

SECTION 32. IC 12-13-7-6, AS AMENDED BY P.L.210-2015, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The ~~director of the division~~ **secretary** shall adopt rules under IC 4-22-2 necessary to administer and supervise SNAP.

SECTION 33. IC 12-15-1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. The secretary ~~and office~~ may:

- (1) take actions;
- (2) give directions; and
- (3) adopt procedures and rules under IC 4-22-2;

necessary to carry out the Medicaid program and the federal Social Security Act to provide Medicaid and ensure uniform equitable treatment of applicants for and recipients of Medicaid.

SECTION 34. IC 12-15-1-15, AS AMENDED BY P.L.210-2015, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) The office shall administer the program of assignment, enforcement, and collection of rights of payments for medical care that is provided for under 42 U.S.C. 1396k.

(b) The office may enter into contracts to administer the program described in subsection (a).

(c) The ~~office of the~~ secretary shall adopt rules under IC 4-22-2 to implement this section.

SECTION 35. IC 12-15-1-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) Each:

- (1) school corporation; or
- (2) school corporation's employed, licensed, or qualified provider;

must enroll in a program to use federal funds under the Medicaid program (IC 12-15-1 et seq.) with the intent to share the costs of services that are reimbursable under the Medicaid program and that are provided to eligible children by the school corporation. However, a school corporation or a school corporation's employed, licensed, or qualified provider is not required to file any claims or participate in the program developed under this section.

(b) The ~~office of Medicaid policy and planning~~ **secretary** and the department of education may develop policies and adopt rules to administer the program developed under this section.

(c) Three percent (3%) of the federal reimbursement for paid claims that are submitted by the school corporation under the program required under this section must be:

- (1) distributed to the state general fund for administration of the program; and
- (2) used for consulting to encourage participation in the program.

The remainder of the federal reimbursement for services provided under this section must be distributed to the school corporation. The state shall retain the nonfederal share of the reimbursement for Medicaid services provided under this section.

(d) The office of Medicaid policy and planning, with the approval of the budget agency and after consultation with the department of education, shall establish procedures for the timely distribution of federal reimbursement due to the school corporations. The distribution procedures may provide for offsetting reductions to distributions of state tuition support or other state funds to school corporations in the amount of the nonfederal reimbursements required to be retained by the state under subsection (c).

SECTION 36. IC 12-15-1.3-15, AS ADDED BY P.L.229-2011, SECTION 122, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) As used in this section, "division" refers to the division of disability and rehabilitative services established by IC 12-9-1-1.

(b) As used in this section, "waiver" refers to any waiver administered by the office and the division under section 1915(c) of the federal Social Security Act.

(c) Before October 1, 2011, the office shall apply to the United States Department of Health and Human Services for approval to amend a waiver to set an emergency placement priority for individuals in the following situations:

- (1) Death of a primary caregiver where alternative placement in a supervised group living setting:

- (A) is not available; or
- (B) is determined by the division to be an inappropriate option.

- (2) A situation in which:

- (A) the primary caregiver is at least eighty (80) years of age; and
- (B) alternate placement in a supervised group living setting is not available or is determined by the division to be an inappropriate option.

- (3) There is evidence of abuse or neglect in the current institutional or home placement, and alternate placement in a supervised group living setting is not available or is determined by the division to be an inappropriate option.

- (4) There are other health and safety risks, as determined by the division director, and alternate placement in a supervised group living setting is not available or is determined by the division to be an inappropriate option.

(d) The division shall report on a quarterly basis the following information to the division of disability and rehabilitative services advisory council established by IC 12-9-4-2 concerning each Medicaid waiver for which the office has been approved under this section to administer an emergency placement priority for individuals described in this section:

- (1) The number of applications for emergency placement priority waivers.
- (2) The number of individuals served on the waiver.
- (3) The number of individuals on a wait list for the waiver.

(e) The office may adopt rules under IC 4-22-2 necessary to implement this section.

~~(f) This section expires July 1, 2016.~~

SECTION 37. IC 12-15-8.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter, "medical institution" means any of the following:

- (1) A hospital.
- (2) A nursing facility.
- (3) An intermediate care facility for ~~the mentally retarded~~ **individuals with intellectual disabilities**.

SECTION 38. IC 12-15-11-3, AS AMENDED BY P.L.197-2013, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. A provider agreement must do the following:

- (1) Include information that the office determines necessary to facilitate carrying out of IC 12-15.
- (2) Prohibit the provider from requiring payment from a recipient of Medicaid, except where a copayment is required by law.

(3) For providers categorized as high risk to the Medicaid program under 42 U.S.C. 1395cc(j)(2)(B) and 42 CFR 455.450, require the submission of necessary information, forms, or consents for the office to obtain a national criminal history background check **or, as allowed by the office, a fingerprint-based criminal history check**, through **a contractor under IC 12-15-30 or the state police department under IC 10-13-3-39** of any person who:

(A) holds at least a five percent (5%) ownership interest in a facility or entity; or

(B) is a member of the board of directors of a nonprofit facility or entity;

in which the provider applicant plans to provide Medicaid services under the provider agreement. The provider applicant is responsible for the cost of the national criminal history background check **or fingerprint-based criminal history check.**

SECTION 39. IC 12-15-13-3.5, AS ADDED BY P.L.229-2011, SECTION 125, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. (a) As used in this section, "noninstitutional provider" means any Medicaid provider other than the following:

(1) A health facility licensed under IC 16-28.

(2) An ~~ICF/MR~~ **ICF/IID** (as defined in IC 16-29-4-2).

(b) If the office of the secretary or the office of the secretary's designee believes that an overpayment to a noninstitutional provider has occurred, the office of the secretary or the office of the secretary's designee may submit to the noninstitutional provider a preliminary review of draft audit findings.

(c) A noninstitutional provider that receives a preliminary review of draft audit findings under subsection (b) may request administrative reconsideration of the preliminary review of draft audit findings not later than forty-five (45) days after the issuance of the preliminary review of draft audit findings. The noninstitutional provider may submit comments along with the request for administrative reconsideration. The noninstitutional provider must request administrative reconsideration before filing an appeal.

(d) Following administrative reconsideration of the preliminary review of draft audit findings and any comments submitted along with the noninstitutional provider's request for administrative consideration and if the office of the secretary or the office of the secretary's designee believes that an overpayment has occurred, the office of the secretary or the office of the secretary's designee shall notify the noninstitutional provider in writing that the office of the secretary or the office of the secretary's designee:

(1) believes that the overpayment has occurred; and

(2) is issuing a final calculation of the overpayment.

(e) A noninstitutional provider who receives a notice under subsection (d) may elect to do one (1) of the following:

(1) Repay the amount of the final calculation not later than three hundred (300) days after the provider received the notice under subsection (d), including interest:

(A) due from the noninstitutional provider; and

(B) accruing from the date of overpayment.

(2) Request a hearing by filing an administrative appeal not later than sixty (60) days after receiving the notice under subsection (d) and repay the amount of the final calculation of the overpayment under subsection (d) not later than three hundred (300) days after receiving the notice under subsection (d).

(f) If:

(1) a noninstitutional provider elects to proceed under subsection (e)(2); and

(2) the office of the secretary or the office of the secretary's designee determines after the hearing and any subsequent appeal that the noninstitutional provider does not owe the money that the office of the secretary or the office of the secretary's designee believed the noninstitutional provider owed;

the office of the secretary or the office of the secretary's designee shall return the amount of the alleged overpayment, and any interest paid by the noninstitutional provider, and pay the noninstitutional provider interest on the money from the date of the noninstitutional provider's repayment.

(g) Interest that is due under this section shall be paid at a rate that is determined by the commissioner of the department

of state revenue under IC 6-8.1-10-1(c) as follows:

(1) Interest due from a noninstitutional provider to the state shall be paid at the rate set by the commissioner for interest payments from the department of state revenue to a taxpayer.

(2) Interest due from the state to a noninstitutional provider shall be paid at the rate set by the commissioner for interest payments from the department of state revenue to a taxpayer.

(h) Interest on an overpayment to a noninstitutional provider is not due from the noninstitutional provider if the overpayment is the result of an error of:

(1) the office; or

(2) a contractor of the office;

as determined by the office of the secretary or the office of the secretary's designee.

(i) If interest on an overpayment to a noninstitutional provider is due from the noninstitutional provider, the secretary or the secretary's designee may, in the course of negotiations with the noninstitutional provider regarding an appeal filed under subsection (e), reduce the amount of interest due from the noninstitutional provider.

(j) Proceedings under this section are subject to IC 4-21.5.

SECTION 40. IC 12-15-13-4, AS ADDED BY P.L.229-2011, SECTION 126, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) As used in this section, "institutional provider" means the following:

(1) A health facility that is licensed under IC 16-28.

(2) An ~~ICF/MR~~ **ICF/IID** (as defined in IC 16-29-4-2).

(b) If the office of the secretary or the office of the secretary's designee believes that an overpayment to an institutional provider has occurred, the office of the secretary or the office of the secretary's designee may do the following:

(1) Submit to the institutional provider a draft of the audit findings and accept comments from the institutional provider for consideration by the office of the secretary or the office of the secretary's designee before the audit findings are finalized.

(2) Finalize the audit findings and issue the preliminary recalculated Medicaid rate.

(c) An institutional provider that receives a preliminary recalculated Medicaid rate under subsection (b)(2) may request administrative reconsideration of the preliminary recalculated Medicaid rate not later than forty-five (45) days after the issuance of the preliminary recalculated rate. The institutional provider must request administrative reconsideration before filing an appeal.

(d) Following reconsideration of an institutional provider's comments, and if the office of the secretary or the office of the secretary's designee believes that an overpayment has occurred, the office of the secretary or the office of the secretary's designee shall notify the institutional provider in writing that the office of the secretary or the office of the secretary's designee:

(1) believes that the overpayment has occurred; and

(2) is issuing a final recalculated Medicaid rate.

(e) Upon the next payment cycle, the office of the secretary or the office of the secretary's designee shall retroactively implement the final recalculated Medicaid rate.

(f) If the institutional provider is dissatisfied with the reconsideration response issued by the office of the secretary or the office of the secretary's designee, the institutional provider may request a hearing by filing an appeal with the office of the secretary not later than sixty (60) days after the issuance of the reconsideration response.

(g) If an institutional provider requests a hearing under subsection (f) and the office of the secretary or the office of the secretary's designee determines after the hearing and any subsequent appeal that the institutional provider does not owe the money that the office of the secretary or the office of the

secretary's designee believed the institutional provider owed, the office of the secretary or the office of the secretary's designee shall repay the following to the institutional provider not later than thirty (30) days after the completion of the hearing:

- (1) The amount of the alleged overpayment.
- (2) Any interest paid by the institutional provider.
- (3) Interest on the money described in subdivisions (1) and (2) from the date of the institutional provider's repayment.

(h) Interest due under this section by either the institutional provider or the office of the secretary shall be paid at a rate that is determined by the commissioner of the department of state revenue under IC 6-8.1-10-1(c) at the rate set by the commissioner for interest payments from the department of state revenue to a taxpayer.

(i) Interest on an overpayment to an institutional provider is not due from the institutional provider if the office of the secretary or the office of the secretary's designee determines that the overpayment is the result of an error by the following:

- (1) The office of the secretary.
- (2) A contractor of the office of the secretary.

(j) If interest on an overpayment to an institutional provider is due from the institutional provider, the office of the secretary or the office of the secretary's designee may, in the course of negotiations with the institutional provider concerning an appeal filed under this section, reduce the amount of interest due from the institutional provider.

SECTION 41. IC 12-15-21-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) As used in this section, "facility" refers to an intermediate care facility for ~~the mentally retarded (ICF/MR)~~ **individuals with intellectual disabilities (ICF/IID)** not operated by a state agency.

(b) The rules adopted by the secretary may not establish eligibility criteria for Medicaid reimbursement for placement or services in a facility, including services provided under a Medicaid waiver, that are more restrictive than federal requirements for Medicaid reimbursement in a facility or under a Medicaid waiver.

(c) The office may not implement a policy that may not be adopted as a rule under subsection (b).

SECTION 42. IC 12-15-32-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this chapter, "facility" means a facility licensed under IC 12-28-5 and certified under Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) as an intermediate care facility for ~~the mentally retarded~~ **individuals with intellectual disabilities**.

SECTION 43. IC 12-15-32-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) The office may assess community residential facilities for the developmentally disabled (as defined in IC 12-7-2-61) and intermediate care facilities for ~~the mentally retarded (ICF/MR)~~ **individuals with intellectual disabilities (ICF/IID)** (as defined in IC 16-29-4-2) that are not operated by the state in an amount not to exceed ten percent (10%) of the total annual revenue of the facility for the facility's preceding fiscal year.

(b) The assessments shall be paid to the office of Medicaid policy and planning in equal monthly amounts on or before the tenth day of each calendar month. The office may withhold Medicaid payments to a provider described in subsection (a) that fails to pay an assessment within thirty (30) days after the due date. The amount withheld may not exceed the amount of the assessments due.

(c) Revenue from the assessments shall be credited to a special account within the state general fund to be called the Medicaid assessment account. Money in the account may be used only for services for which federal financial participation under Medicaid is available to match state funds. An amount equivalent to the federal financial participation estimated to be

received for services financed from assessments under subsection (a) shall be used to finance Medicaid services provided by facilities described in subsection (a).

(d) If federal financial participation to match the assessments in subsection (a) becomes unavailable under federal law, the authority to impose the assessments terminates on the date that the federal statutory, regulatory, or interpretive change takes effect.

SECTION 44. IC 12-15-33-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. The committee shall be appointed as follows:

(1) One (1) member shall be appointed by the administrator of the office to represent each of the following organizations:

- (A) Indiana Council of Community Mental Health Centers.
- (B) Indiana State Medical Association.
- (C) Indiana State Chapter of the American Academy of Pediatrics.
- (D) Indiana Hospital Association.
- (E) Indiana Dental Association.
- (F) Indiana State Psychiatric Association.
- (G) Indiana State Osteopathic Association.
- (H) Indiana State Nurses Association.
- (I) Indiana State Licensed Practical Nurses Association.
- (J) Indiana State Podiatry Association.
- (K) Indiana Health Care Association.
- (L) Indiana Optometric Association.
- (M) Indiana Pharmaceutical Association.
- (N) Indiana Psychological Association.
- (O) Indiana State Chiropractic Association.
- (P) Indiana Ambulance Association.
- (Q) Indiana Association for Home Care.
- (R) Indiana Academy of Ophthalmology.
- (S) Indiana Speech and Hearing Association.
- (T) **Indiana Academy of Physician Assistants.**

(2) Ten (10) members shall be appointed by the governor as follows:

- (A) One (1) member who represents agricultural interests.
- (B) One (1) member who represents business and industrial interests.
- (C) One (1) member who represents labor interests.
- (D) One (1) member who represents insurance interests.
- (E) One (1) member who represents a statewide taxpayer association.
- (F) Two (2) members who are parent advocates.
- (G) Three (3) members who represent Indiana citizens.

(3) One (1) member shall be appointed by the president pro tempore of the senate acting in the capacity as president pro tempore of the senate to represent the senate.

(4) One (1) member shall be appointed by the speaker of the house of representatives to represent the house of representatives.

SECTION 45. IC 12-15-39-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. As used in this section, "conversion" means:

- (1) the permanent closure of a Medicaid funded intermediate care facility for ~~the mentally retarded~~ **individuals with intellectual disabilities** bed, including intermediate care facilities for ~~the mentally retarded~~ **individuals with intellectual disabilities** licensed under IC 16-28-2, facilities licensed under IC 12-28-5 and certified under Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) as an intermediate care facility for ~~the mentally retarded~~ **individuals with intellectual disabilities**, and state institutions; and
- (2) the use of the state funds that paid the state share of Medicaid funding for the beds described in subdivision (1)

to fund the expansion of the number of individuals receiving waiver services under an intermediate care facility for ~~the mentally retarded individuals with intellectual disabilities~~ Medicaid waiver.

SECTION 46. IC 12-15-39-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The division shall do the following:

(1) Assist providers who provide for the voluntary conversion of Medicaid funded intermediate care facility for ~~the mentally retarded individuals with intellectual disabilities~~ beds.

(2) Assist in securing appropriate placements for individuals who reside in the intermediate care facility for ~~the mentally retarded individuals with intellectual disabilities~~ beds that are converted. However, an individual may not be moved from an intermediate care facility for ~~the mentally retarded individuals with intellectual disabilities~~ bed until an appropriate alternative placement is available.

SECTION 47. IC 12-15-39-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. Any savings that may result from a conversion under this chapter of an intermediate care facility for ~~the mentally retarded individuals with intellectual disabilities~~ licensed under IC 16-28-2 or a state institution must be used to expand waiver services under an intermediate care facility for ~~the mentally retarded individuals with intellectual disabilities~~ Medicaid waiver to individuals throughout Indiana.

SECTION 48. IC 12-17-2-2.5-3, AS ADDED BY P.L.126-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. Each committee must consist of members appointed:

- (1) by the ~~director secretary~~ or the ~~director's secretary's~~ designee; and
- (2) to provide diversity in representing the types of child care that comprise the committee's category specified in section 1 of this chapter, including size, licensure status, accreditation status, and geographic location in Indiana.

SECTION 49. IC 12-17-2-7.2-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.5. **The secretary may adopt rules under IC 4-22-2 concerning the implementation and the administration of the program.**

SECTION 50. IC 12-17.6-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. "Office" refers to the office of ~~the children's health insurance program established by IC 12-17.6-2-1. Medicaid policy and planning established by IC 12-8-6.5-1.~~

SECTION 51. IC 12-17.6-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The ~~office of the children's health insurance program is established within the office of the~~ secretary shall administer the ~~children's health insurance program through the office of Medicaid policy and planning.~~

SECTION 52. IC 12-17.6-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The **secretary, through the** office, shall design and administer a system to provide health benefits coverage for children eligible for the program.

SECTION 53. IC 12-17.6-2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) The ~~office secretary~~ shall adopt rules under IC 4-22-2 to implement the program.

(b) The ~~office secretary~~ may adopt emergency rules under IC 4-22-2-37.1 to implement the program on an emergency basis.

(c) **A rule adopted before April 15, 2016, by the office of children's health insurance program is transferred to the office of the secretary.**

SECTION 54. IC 12-17.6-7-2 IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The **secretary, through the** office, shall administer the fund.

SECTION 55. IC 12-17.6-8-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The **secretary, through the** office:

- (1) may make necessary additional investigations; and
- (2) shall make decisions concerning the:
  - (A) granting of program services; and
  - (B) amount of program services to be granted;
 to an applicant or a recipient that the office believes are justified and in conformity with the program.

SECTION 56. IC 12-21-2-3, AS AMENDED BY P.L.160-2012, SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. ~~In addition to the general authority granted to the director under IC 12-8-8.5, The~~ **director secretary or the secretary's designee** shall do the following:

- (1) Organize the division, create the appropriate personnel positions, and employ personnel necessary to discharge the statutory duties and powers of the division or a bureau of the division.
- (2) Subject to the approval of the state personnel department, establish personnel qualifications for all deputy directors, assistant directors, bureau heads, and superintendents.
- (3) Subject to the approval of the budget director and the governor, establish the compensation of all deputy directors, assistant directors, bureau heads, and superintendents.
- (4) Study the entire problem of mental health, mental illness, and addictions existing in Indiana.
- (5) Adopt rules under IC 4-22-2 for the following:
  - (A) Standards for the operation of private institutions that are licensed under IC 12-25 for the diagnosis, treatment, and care of individuals with psychiatric disorders, addictions, or other abnormal mental conditions.
  - (B) Licensing or certifying community residential programs described in IC 12-22-2-3.5 for individuals with serious mental illness (SMI), serious emotional disturbance (SED), or chronic addiction (CA) with the exception of psychiatric residential treatment facilities.
  - (C) Certifying community mental health centers to operate in Indiana.
  - (D) Establish exclusive geographic primary service areas for community mental health centers. The rules must include the following:
    - (i) Criteria and procedures to justify the change to the boundaries of a community mental health center's primary service area.
    - (ii) Criteria and procedures to justify the change of an assignment of a community mental health center to a primary service area.
    - (iii) A provision specifying that the criteria and procedures determined in items (i) and (ii) must include an option for the county and the community mental health center to initiate a request for a change in primary service area or provider assignment.
    - (iv) A provision specifying the criteria and procedures determined in items (i) and (ii) may not limit an eligible consumer's right to choose or access the services of any provider who is certified by the division of mental health and addiction to provide public supported mental health services.

- (6) Institute programs, in conjunction with an accredited college or university and with the approval, if required by law, of the commission for higher education, for the instruction of students of mental health and other related occupations. The programs may be designed to meet requirements for undergraduate and postgraduate degrees

and to provide continuing education and research.

(7) Develop programs to educate the public in regard to the prevention, diagnosis, treatment, and care of all abnormal mental conditions.

(8) Make the facilities of the Larue D. Carter Memorial Hospital available for the instruction of medical students, student nurses, interns, and resident physicians under the supervision of the faculty of the Indiana University School of Medicine for use by the school in connection with research and instruction in psychiatric disorders.

(9) Institute a stipend program designed to improve the quality and quantity of staff that state institutions employ.

(10) Establish, supervise, and conduct community programs, either directly or by contract, for the diagnosis, treatment, and prevention of psychiatric disorders.

(11) Adopt rules under IC 4-22-2 concerning the records and data to be kept concerning individuals admitted to state institutions, community mental health centers, or other providers.

(12) Compile information and statistics concerning the ethnicity and gender of a program or service recipient.

(13) Establish standards for services described in IC 12-7-2-40.6 for community mental health centers and other providers.

SECTION 57. IC 12-21-2-5, AS AMENDED BY P.L.99-2007, SECTION 101, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Subject to ~~subsection~~ **subsections (b) and (c)**, the ~~director~~ **secretary** may delegate statutory duties or powers of the division, a bureau of the division, the director, or other statutorily created personnel.

(b) If the ~~director~~ **secretary** decides that a final decision is to be made concerning the placement of an individual with a mental illness in a mental health facility, the final decision must be made:

(1) by the ~~director~~; **secretary**, if the ~~director~~ **secretary** is a licensed psychiatrist or licensed psychologist; or

(2) by a licensed psychiatrist or licensed psychologist who is delegated the authority by the ~~director~~; **secretary**;

in consultation with the patient's psychiatrist or psychologist.

(c) Subsection (b) does not apply to an initial placement designation made under IC 12-24-12-10(b).

SECTION 58. IC 12-21-2-8, AS AMENDED BY P.L.143-2011, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The ~~director~~ **secretary or the secretary's designee** shall develop a comprehensive system of monitoring, evaluation, and quality assurance for the services required by this chapter.

(b) The ~~director~~ **secretary** shall determine to whom contracts are awarded, based on the following factors:

(1) The continuity of services a contractor provides for patients.

(2) The accessibility of a contractor's services to patients.

(3) The acceptability of a contractor's services to patients.

(4) A contractor's ability to focus services on building the self-sufficiency of the patient.

(c) This subsection applies to the reimbursement of contract payments to providers. Payments must be determined prospectively in accordance with generally accepted accounting principles and actuarial principles recognizing costs incurred by efficiently and economically operated programs that:

(1) serve individuals with a mental illness or substance abuse patients; and

(2) are subject to quality and safety standards and laws.

(d) Before entering into a contract under this section, the ~~director~~ **secretary or the secretary's designee** shall submit the contract to the attorney general for approval as to form and legality.

(e) A contract under this section must do the following:

(1) Specify:

(A) the work to be performed; and

(B) the patient populations to whom services must be provided.

(2) Provide for a reduction in funding or termination of the contract for failure to comply with terms of the contract.

(3) Require that the contractor meet the standards set forth in rules adopted by the division of mental health and addiction under IC 4-22-2.

(4) Require that the contractor participate in the division's evaluation process.

(5) For any service for which the division chooses to contract on a per diem basis, the per diem reimbursement shall be determined under subsection (c) for the contractor's reasonable cost of providing services.

(6) In contracts with capitated payment provisions, provide that the contractor's cost of purchasing stop-loss insurance for the patient populations to be served in amounts and with limits customarily purchased by prepaid health care plans must be:

(A) included in the actuarial determination of the capitated payment amounts; or

(B) separately paid to the contractor by the division.

(7) Provide that a contract for enumerated services granted by the division under this section to an approved provider may not create or confer upon the provider liability or responsibility for care or services beyond those services supported by the contract.

SECTION 59. IC 12-24-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. Subject to the approval of the governor, the ~~director of the division~~ **secretary or the secretary's designee** shall appoint the superintendent of a state institution.

SECTION 60. IC 12-24-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The ~~director of the division~~ **secretary** may adopt rules under IC 4-22-2 to prescribe the qualifications of a superintendent of a state institution under the control of the division. A superintendent must possess the prescribed qualifications.

SECTION 61. IC 12-24-2-4, AS AMENDED BY P.L.28-2012, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. A superintendent serves at the pleasure of the ~~director~~; **secretary**.

SECTION 62. IC 12-25-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The standards of treatment and care to be maintained must be appropriate under existing knowledge of the needs of the individuals, as determined by the ~~director~~; **secretary**. The ~~director~~ **secretary** shall prescribe minimum standards for the private institutions and for the care and treatment provided in the private institutions as set forth in IC 12-21-2-3(5).

SECTION 63. IC 12-25-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. A person must hold a license issued by the ~~director~~ **secretary or the secretary's designee** to establish, conduct, operate, or maintain a private institution under any name for the treatment and care of individuals with psychiatric disorders, developmental disabilities, convulsive disturbances, or other abnormal mental conditions.

SECTION 64. IC 12-25-1-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The ~~director~~ **secretary or the secretary's designee** may:

(1) issue a license upon an application without further evidence; or

(2) ~~conduct a hearing on the application and conduct an investigation~~ **refer the license application for a hearing** to determine whether a license should be granted.

(b) If the ~~director~~ **secretary** refers the license application for a hearing under subsection (a)(2), the secretary shall:

(1) serve as the administrative law judge; or

(2) appoint an administrative law judge to serve as the

secretary's designee.

The secretary or the secretary's designee shall conduct a hearing on the referred license application and conduct an investigation to determine whether the license should be granted.

SECTION 65. IC 12-25-1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. If after a hearing, the ~~director~~ **secretary or the secretary's designee** finds that a license should not be granted, the ~~director~~ **secretary or the secretary's designee** shall notify the applicant, giving the reason for the finding.

SECTION 66. IC 12-25-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. If after a hearing, the ~~director~~ **secretary or the secretary's designee** finds that an applicant complies and will in the future comply with this article and the rules adopted under IC 12-21-2-3(5), the director shall issue a license to the applicant to operate the institution.

SECTION 67. IC 12-25-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. A licensee is entitled to notice of not less than thirty (30) days of the time and place for a hearing before the ~~director~~ **secretary or the secretary's designee** on the complaint. The notice shall be sent by registered mail to the licensee at the address shown in the licensee's application.

SECTION 68. IC 12-25-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The ~~director, secretary or the secretary's designee~~, after a hearing, may suspend or revoke the license.

SECTION 69. IC 12-25-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. If the ~~director~~ **secretary or the secretary's designee** suspends a license, the ~~director~~ **secretary or the secretary's designee** may also recommend the conditions to be met by the licensee during the period of suspension to entitle the licensee to resume operation of the institution on the existing license.

SECTION 70. IC 12-25-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. If the ~~director~~ **secretary or the secretary's designee** suspends or revokes a license, the ~~director~~ **secretary or the secretary's designee** shall enter an order in accordance with the suspension or revocation in which the grounds of the suspension or revocation are set forth.

SECTION 71. IC 12-25-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The ~~director~~ **secretary or the secretary's designee** may, after a hearing, hold a case under advisement and make a recommendation of the requirements to be met by the licensee to avoid suspension or revocation. The ~~director~~ **secretary or the secretary's designee** shall enter an order accordingly and notify the licensee of the finding by registered mail.

(b) If the licensee complies with the order and proves that fact to the satisfaction of the ~~director, secretary or the secretary's designee~~, the ~~director~~ **secretary or the secretary's designee** shall enter an order showing satisfactory compliance and dismissing the case because of the compliance.

SECTION 72. IC 12-25-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. A licensee or an applicant for a license aggrieved by an action of the ~~director~~ **secretary or the secretary's designee** may appeal the action to the circuit or superior court in the county in which the institution in question is located or is proposed to be located by filing a notice and bond in the amount of two hundred dollars (\$200) for the payment of costs in the office of the circuit court clerk of the county.

SECTION 73. IC 12-25-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The circuit court clerk shall notify the ~~director~~ **secretary** that the appeal has been taken.

SECTION 74. IC 12-25-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The ~~director~~ **secretary or the secretary's designee** shall cause to be certified to the appropriate court a copy of:

- (1) the complaint and the order for a suspension or revocation; or
- (2) the application and order of refusal of a license.

SECTION 75. IC 12-25-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The case shall be docketed as a civil action, with the applicant or licensee as the plaintiff and the ~~director~~ **secretary** as the defendant.

(b) No further pleading is necessary.

SECTION 76. IC 12-25-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The court has jurisdiction to the extent that courts exercise jurisdiction over administrative bodies and may enter an order either sustaining the action of the ~~director~~ **secretary** or setting the action aside.

SECTION 77. IC 12-25-3-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The circuit court clerk shall certify to the ~~director~~ **secretary** a copy of the decision of the court.

SECTION 78. IC 12-26-11-1, AS AMENDED BY P.L.117-2015, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The superintendent of a facility to which an individual was committed under IC 12-26-6 or IC 12-26-7 or to which the individual's commitment was transferred under this chapter, may transfer the commitment of the individual to:

- (1) a state institution;
- (2) a community mental health center;
- (3) a community intellectual disability and other developmental disabilities center;
- (4) a federal facility;
- (5) a psychiatric unit of a hospital licensed under IC 16-21;
- (6) a private psychiatric facility licensed under IC 12-25;
- (7) a community residential program for the developmentally disabled described in IC 12-11-1.1-1(e)(1) or IC 12-11-1.1-1(e)(2); or
- (8) an intermediate care facility for ~~the mentally retarded (ICF/MR)~~ **individuals with intellectual disabilities (ICF/IID)** that is licensed under IC 16-28 and is not owned by the state;

if the transfer is likely to be in the best interest of the individual or other patients.

SECTION 79. IC 12-26-14-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) After an individual has been returned to the facility to which the individual is committed under this article, the ~~director~~ **secretary** shall conduct a hearing under IC 4-21.5-3 to determine whether:

- (1) the individual has failed to comply with the requirements described in section 8 of this chapter;
- (2) the individual is in need of inpatient treatment; and
- (3) the individual's outpatient status should be revoked.

(b) A hearing required by subsection (a) may be conducted by a hearing officer appointed by the ~~director, secretary~~.

(c) An individual may appeal under IC 4-21.5-5 a determination of the hearing officer by filing a petition with the court that committed the individual under IC 12-26-6 or IC 12-26-7.

SECTION 80. IC 16-18-2-185 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 185. "~~ICF/MR~~", "**ICF/IID**", for purposes of IC 16-29-4, has the meaning set forth in IC 16-29-4-2.

SECTION 81. IC 16-29-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. This chapter applies to the following:



(1) The conversion of existing health facility beds to ~~ICF/MR~~ **ICF/IID** beds.

(2) The construction of new ~~ICF/MR~~ **ICF/IID** facilities after June 30, 1987.

SECTION 82. IC 16-29-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. (a) As used in this chapter, "~~ICF/MR~~ **ICF/IID**" refers to an intermediate care facility for ~~the mentally retarded~~ **individuals with intellectual disabilities**.

(b) The term does not include a facility administered under IC 12-11-1.1 or IC 12-22-2.

SECTION 83. IC 16-29-4-3, AS AMENDED BY P.L.141-2014, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. Before the conversion of existing health facility beds to ~~ICF/MR~~ **ICF/IID** beds or the construction of a new ~~ICF/MR~~ **ICF/IID** facility, the state department may issue a preliminary approval of the proposed project, but only if the state department determines that there is an insufficient number of available beds to care for all the persons who are determined under IC 12-11-2.1 to be appropriate for placement in an ~~ICF/MR~~ **ICF/IID** facility.

SECTION 84. IC 16-29-4-4, AS AMENDED BY P.L.141-2014, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. A proposed project that receives preliminary approval under this chapter may not add more beds than the number determined by the state department to be necessary to provide an available bed for each person determined under IC 12-11-2.1 to be appropriate for placement in an ~~ICF/MR~~ **ICF/IID** facility. Upon completion of the proposed project and compliance with the other requirements for licensure under IC 16-28, the state department shall issue a license to the facility.

SECTION 85. IC 25-23-1-19.4, AS AMENDED BY P.L.58-2014, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19.4. (a) This section does not apply to certified registered nurse anesthetists.

(b) As used in this section, "practitioner" has the meaning set forth in IC 16-42-19-5. However, the term does not include the following:

(1) A veterinarian.

(2) An advanced practice nurse.

(3) A physician assistant.

(c) An advanced practice nurse shall operate:

(1) in collaboration with a licensed practitioner as evidenced by a practice agreement; ~~or~~

(2) by privileges granted by the governing board of a hospital licensed under IC 16-21 with the advice of the medical staff of the hospital that sets forth the manner in which an advanced practice nurse and a licensed practitioner will cooperate, coordinate, and consult with each other in the provision of health care to their patients; ~~or~~

(3) by privileges granted by the governing body of a hospital operated under IC 12-24-1 that sets forth the manner in which an advanced practice nurse and a licensed practitioner will cooperate, coordinate, and consult with each other in the provision of health care to their patients.

SECTION 86. An emergency is declared for this act.

(Reference is to ESB 206 as printed February 19, 2016.)

PAT MILLER

KIRCHHOFFER

STOOPS

C. BROWN

Senate Conferees

House Conferees

Roll Call 408: yeas 98, nays 0. Report adopted.

## MOTIONS TO CONCUR IN SENATE AMENDMENTS

### HOUSE MOTION

Mr. Speaker: I move that the House reconsider its actions whereby it dissented from the Senate amendments to Engrossed House Bill 1081 and that the House now concur in the Senate amendments to said bill.

THOMPSON

Roll Call 409: yeas 99, nays 0. Motion prevailed.

## RESOLUTIONS ON FIRST READING

### House Concurrent Resolution 73

Representative Bosma introduced House Concurrent Resolution 73:

A CONCURRENT RESOLUTION fixing the date for the second regular technical session of the One Hundred Nineteenth General Assembly.

*Whereas, IC 2-2.1-1-3.5 authorizes the General Assembly to fix a date for the second regular technical session of the General Assembly;*

*Whereas, The General Assembly finds that it is in the best interest of the State of Indiana to fix a date for the Technical Session; and*

*Whereas, It is prudent to allow the Speaker of the House of Representatives and the President Pro Tempore of the Senate to jointly order that the Technical Session not convene if they determine that the cost and inconvenience do not justify meeting in Technical Session: Now, therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:*

SECTION 1. That the date for the Second Regular Technical Session of the One Hundred Nineteenth General Assembly is hereby fixed for Wednesday, May 25, 2016, at 1:00 p.m.

SECTION 2. The Speaker of the House of Representatives and the President Pro Tempore of the Senate may issue a joint order that the General Assembly not convene in Technical Session if they determine that the cost and inconvenience of meeting in Technical Session are not justified.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsor: Senator Long.

A meeting of the Committee on Rules and Legislative Procedures was announced.

The House recessed until the fall of the gavel.

## RECESS

The House reconvened at 4:30 p.m. with the Speaker in the Chair.

Representative Wolkins, who had been excused, is now present.

## MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that pursuant to Rule 84 of the Standing Rules and Orders of the Senate, President Pro Tempore David Long has made the following change in conferees appointments to Engrossed House Bill 1005:



Conferees: Yoder replacing Rogers

JENNIFER L. MERTZ  
Principal Secretary of the Senate

## REPORTS FROM COMMITTEES

### COMMITTEE REPORT

Mr. Speaker: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedures, to which was referred Engrossed House Bill 1365-2016 because it conflicts with HEA 1259-2016 without properly recognizing the existence of HEA 1259-2016, has had Engrossed House Bill 1365-2016 under consideration and begs leave to report back to the House with the recommendation that Engrossed House Bill 1365-2016 be corrected as follows:

Page 53, line 36, delete "P.L.2-2014," and insert "HEA 1259-2016, SECTION 4,".

Page 53, line 37, delete "SECTION 48,".

Page 54, line 13, delete "." and insert ", which may not be unreasonably withheld."

(Reference is to EHB 1365 as reprinted February 26, 2016.)

TORR, Chair  
PIERCE, R.M.M.  
SULLIVAN, Author

Report adopted.

### COMMITTEE REPORT

Mr. Speaker: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedures, to which was referred Engrossed Senate Bill 3-2016 because it conflicts with HEA 1003-2016 without properly recognizing the existence of HEA 1003-2016, has had Engrossed Senate Bill 3-2016 under consideration and begs leave to report back to the House with the recommendation that Engrossed Senate Bill 3-2016 be corrected as follows:

Page 17, line 22, delete "P.L.213-2015," and insert "HEA 1003-2016, SECTION 1,".

Page 17, line 23, delete "SECTION 226,".

Page 17, line 37, delete ";" and insert ".".

Page 17, delete lines 38 through 40.

Page 19, line 41, delete "A" and insert "Except as provided in subsection (n), a".

Page 20, line 8, delete "A" and insert "Except as provided in subsection (n), a".

Page 20, line 18, delete "A" and insert "Except as provided in subsection (n), a".

Page 21, between lines 16 and 17, begin a new paragraph and insert:

"(n) This subsection applies to the state fiscal year beginning July 1, 2015, and ending June 30, 2016. Notwithstanding subsection (h), (I), or (j), the amount of the grant described in subsection (h), (I), or (j) shall be calculated using the higher of:

(1) the percentage of passing scores on ISTEP program tests for the school for the 2013-2014 school year; or

(2) the percentage of passing scores on ISTEP program tests for the school for the 2014-2015 school year.

If a grant amount for a school is calculated using the percentage described in subdivision (1), the ISTEP data from the 2013-2014 school year shall be used in the calculation of the grant amount, and the grant amount may not exceed the grant amount that the school received for the state fiscal year beginning July 1, 2014, and ending June 30, 2015, or in the case of a currently eligible school that was ineligible for a grant in the state fiscal year beginning July 1, 2014, and ending June 30, 2015, because the school had not completed the required teacher evaluations, the grant amount that the school would have been entitled to receive for the state fiscal year beginning July 1, 2014, and ending June 30, 2015, if the school had been eligible. Notwithstanding subsection (g), the school corporation shall

distribute all stipends from a performance grant to individual teachers within twenty (20) business days of the date the department distributes the performance grant to the school corporation."

Page 21, line 17, delete "(n)" and insert "(o)".

(Reference is to ESB 3 as printed February 12, 2016.)

TORR, Chair  
PIERCE, R.M.M.  
COOK, Sponsor

Report adopted.

### COMMITTEE REPORT

Mr. Speaker: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedures, to which was referred Engrossed Senate Bill 81-2016 because it conflicts with HEA 1047-2016 without properly recognizing the existence of HEA 1047-2016, has had Engrossed Senate Bill 81-2016 under consideration and begs leave to report back to the House with the recommendation that Engrossed Senate Bill 81-2016 be corrected as follows:

Page 2, line 7, delete "IC 33-38-15" and insert "IC 33-38-15.2".

Page 2, line 10, delete "15." and insert "**15.2**".

(Reference is to ESB 81 as printed February 12, 2016.)

TORR, Chair  
PIERCE, R.M.M.  
STEUERWALD, Sponsor

Report adopted.

### COMMITTEE REPORT

Mr. Speaker: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedures, to which was referred Engrossed Senate Bill 148-2016 because it conflicts with HEA 1032-2016 without properly recognizing the existence of HEA 1032-2016, has had Engrossed Senate Bill 148-2016 under consideration and begs leave to report back to the House with the recommendation that Engrossed Senate Bill 148-2016 be corrected as follows:

Page 3, line 31, delete "P.L.241-2015," and insert "HEA 1032-2016, SECTION 14,".

Page 3, line 32, delete "SECTION 24,".

Page 5, between lines 6 and 7, begin a new line block indented and insert:

"(5) An individual who makes an election described in section 20.3 of this chapter."

Page 5, line 7, delete "(5)" and insert "**(6)**".

(Reference is to ESB 148 as printed February 16, 2016.)

TORR, Chair  
PIERCE, R.M.M.  
BURTON, Sponsor

Report adopted.

### COMMITTEE REPORT

Mr. Speaker: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedures, to which was referred Engrossed Senate Bill 321-2016 because it conflicts with HEA 1036-2016 without properly recognizing the existence of HEA 1036-2016, has had Engrossed Senate Bill 321-2016 under consideration and begs leave to report back to the House with the recommendation that Engrossed Senate Bill 321-2016 be corrected as follows:

Page 16, line 34, delete "P.L.183-2014," and insert "THE TECHNICAL CORRECTIONS BILL OF THE 2016 GENERAL ASSEMBLY,".

Page 16, line 35, delete "SECTION 21,".

Page 19, line 39, after "statutes," insert "and notwithstanding IC 6-1.1-18-1,".

(Reference is to ESB 321 as reprinted March 1, 2016.)

TORR, Chair  
PIERCE, R.M.M.  
HUSTON, Sponsor

Report adopted.

#### COMMITTEE REPORT

Mr. Speaker: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedures, to which was referred Engrossed Senate Bill 366-2016 because it conflicts with HEA 1053-2016 without properly recognizing the existence of HEA 1053-2016, has had Engrossed Senate Bill 366-2016 under consideration and begs leave to report back to the House with the recommendation that Engrossed Senate Bill 366-2016 be corrected as follows:

Page 12, line 21, delete "P.L.13-2013,".

Page 12, line 22, delete "SECTION 148," and insert "HEA 1053-2016, SECTION 1,".

Page 13, between lines 16 and 17, begin a new line block indented and insert:

"(13) The power to adopt or enforce an ordinance described in section 8.5 of this chapter.

(14) The power to take any action prohibited by section 8.6 of this chapter."

Page 13, line 17, delete "(13)" and insert "(15)".

(Reference is to ESB 366 as reprinted March 1, 2016).

TORR, Chair  
PIERCE, R.M.M.  
LEHMAN, Sponsor

Report adopted.

#### RESOLUTIONS ON FIRST READING

##### House Resolution 20

Representatives Frizzell and Leonard introduced House Resolution 20:

A HOUSE RESOLUTION commending Taiwan's presidential election and supporting its efforts to secure entry to the Trans-Pacific Partnership (TPP) and the signing of a Free Trade Agreement (FTA) and a Bilateral Investment Agreement (BIA) with the United States and reaffirming support for increasing Taiwan's international profile and for strengthening and expanding sister-state ties between Indiana and Taiwan.

*Whereas, The state of Indiana is proud of the sister-state relationship it has enjoyed with the Republic of China (Taiwan) since 1979 marked by strong bilateral trade, educational and cultural exchanges, and tourism;*

*Whereas, Taiwan shares the same values of freedom, democracy, human rights, the rule of law, peace, and prosperity with the United States and the state of Indiana;*

*Whereas, On January 16, 2016, Taiwan held its sixth direct presidential election, demonstrating the vitality of its democratic system;*

*Whereas, The United States ranks as Taiwan's third largest trading partner; Taiwan is the 10th largest trading partner of the United States, and bilateral trade reached \$67.4 billion in 2014;*

*Whereas, Taiwan and the state of Indiana have enjoyed a long and mutually beneficial relationship with the prospect of future growth, and Taiwan was Indiana's fifth largest export market in Asia in 2014, with \$247 million worth of Indiana goods exported to Taiwan, which is 4.8 percent growth from 2012;*

*Whereas, Negotiations for a Bilateral Investment Agreement (BIA) between Taiwan and the United States are an important step toward further strengthening bilateral trade and paving the*

*way for entering into a Free Trade Agreement between our countries, thereby increasing Indiana's exports to Taiwan and creating bilateral investment and technical collaboration through tariff reduction and other trade facilitation measures; and*

*Whereas, Taiwan, seeking to contribute to greater regional integration in the Asia-Pacific region and promote bilateral investment and trade relations with the United States, applauds the United States' announcement of its intent not only to join the Trans-Pacific Partnership (TPP) but to expand TPP membership in the future to include other countries, such as Taiwan: Therefore,*

*Be it resolved by the House of Representatives of the General Assembly of the State of Indiana:*

SECTION 1. That the Indiana House of Representatives commends and supports Taiwan's mature and vital democracy as well as celebrates the 37th anniversary of sister-state relations.

SECTION 2. That the Indiana House of Representatives supports Taiwan's efforts to secure entry to the Trans-Pacific Partnership (TPP) and endorses the signing of a Bilateral Investment Agreement (BIA) and Free Trade Agreement (FTA) with the United States.

SECTION 3. That the Indiana House of Representatives continues to support Taiwan's appropriate participation in international organizations which impact the health, safety, and well-being of its people.

SECTION 4. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to the members of the Indiana Congressional delegation and the Taipei Economic and Cultural Office in Chicago, Illinois.

The resolution was read a first time and adopted by voice vote.

##### Senate Concurrent Resolution 51

The Speaker handed down Senate Concurrent Resolution 51, sponsored by Representatives Schaibley and Torr:

A CONCURRENT RESOLUTION congratulating the Carmel High School Greyhounds girls swim team on its 30th consecutive state championship title, surpassing the nationwide high school record for most consecutive state titles in any sport.

*Whereas, On Saturday February 13, 2016, the Carmel High School Greyhounds girls swim team, won its 30th consecutive state championship title at IUPUI's Natatorium, setting a nationwide record for the most consecutive state championships in any sport;*

*Whereas, Carmel broke the national record, scoring 438 points and winning nine out of the 11 events, with the next closest team, Hamilton Southeastern, scoring 193.5 points;*

*Whereas, At the meet, Senior Claire Adams became the first swimmer in Indiana history to win 16 state titles, the first woman to win the 100-yard backstroke all four years of her high school career, and set a personal record of never losing a race at the IHSAA state championships;*

*Whereas, Adams also took home the Mental Attitude Award at the championship meet;*

*Whereas, Senior Veronica Burchill set the lone state record for the day, beating her previous 100 fly record with a 51.79 time;*

*Whereas, Junior Sammie Burchill won the 200-yard individual medley and created an upset by beating world junior bronze medalist Hannah Kukurugya of Crown Point with a time of 1:57.99, compared to Kukurugya's 1:59.28;*

*Whereas, Junior Emma Nordin also made history by taking*

*home two individual wins at the meet in the 200 and 500 yard freestyle;*

*Whereas, With its 30th consecutive state championship title, the Carmel girls swim team overtook the national record of 29 successive state titles set by Honolulu's Punahou High School boys swim team, the only other high school team to do so; and*

*Whereas, It is fitting that the Indiana General Assembly gives special recognition to the hard work of these student athletes, Head Coach Chris Plumb, and the incredible support staff of the Carmel High School girl's swim team: Therefore*

*Be it resolved by the Senate  
of the General Assembly of the State of Indiana,  
the House of Representatives concurring:*

SECTION 1. That the Indiana General Assembly congratulates the Carmel High School women's swim team on its 30<sup>th</sup> consecutive state championship title, surpassing the nationwide high school record for most consecutive state titles in any sport.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this resolution to the Carmel High School Principal, John Williams, Girl's Swim Team Head Coach, Chris Plumb, and the girl's swim team members.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

### **Senate Concurrent Resolution 61**

The Speaker handed down Senate Concurrent Resolution 61, sponsored by Representatives Frizzell and Macer:

A CONCURRENT RESOLUTION celebrating the 100th running of the Indianapolis 500.

*Whereas, The Indianapolis 500 is known as "The Greatest Spectacle in Racing" and will celebrate its 100<sup>th</sup> running on May 29, 2016 at the Indianapolis Motor Speedway;*

*Whereas, In 1909, the Indianapolis Motor Speedway was founded by Carl Fisher, Jim Allison, Art Newby, and Frank Wheeler, with the driving force behind the endeavor being Fisher;*

*Whereas, The original surface of the track was made up of gravel-and-tar, which disintegrated before the first running of the 500 during other racing events, resulting in the repavement of the entire track with 3.2 million bricks in 1909;*

*Whereas, In 1911, 40 cars qualified for the first "500-mile Sweepstakes" at the Indianapolis Motor Speedway, with Ray Harroun winning the inaugural running and \$25,000 prize;*

*Whereas, Paying \$1 each for grandstand seats, 80,200 spectators turned out for the first 500-mile racing event;*

*Whereas, Of the 23 types of cars represented in the inaugural 500, only three survive today: Buick, Fiat, and Mercedes;*

*Whereas, In 1927, Eddie Rickenbacker purchased the Speedway for \$700,000, which was also the same year that the Purdue All-American Marching Band began performing on the track, who have been the host band ever since;*

*Whereas, In 1935, asphalt was laid over the bricks at all four turns and the concrete outer walls were angled inward; and then in 1961, the remaining brick surfaces were paved with asphalt, except for one yard at the start-finish;*

*Whereas, In 1936, Louis Meyer won his third Indianapolis 500 and drank buttermilk in the winner's circle, which led to the establishment of race winners drinking milk in the winner's*

*circle;*

*Whereas, 1936 was the same year the first Borg-Warner Trophy, one of the most recognizable trophies in all of sports, was awarded to the Indianapolis 500 winner;*

*Whereas, In 1945, three-time Indianapolis 500 winner, Wilbur Shaw, brokered a \$750,000 deal that made him Speedway president and made Tony Hulman the new owner of the track;*

*Whereas, The Hulman-George family still own and operate the Indianapolis Motor Speedway in 2016;*

*Whereas, In 1946, the song, "Back Home Again in Indiana," was sung for the first time track side by James Melton, of the New York Metropolitan Opera Company, with the accompaniment of the Purdue All-American Marching Band;*

*Whereas, 1947 is believed to be the first year multi-colored balloons were released on race morning;*

*Whereas, In 1957, The 500 Festival Parade took place for the first time as part of a series of celebrations leading up to race day;*

*Whereas, In 2016, The Indianapolis 500 will have 33 drivers competing for a purse that is upwards of more than \$13,000,000, with the winner receiving more than \$2.5 million, and the event is expected to draw a crowd of approximately 300,000 spectators;*

*Whereas, The 100<sup>th</sup> anniversary of the race was celebrated in 2011, but the 100<sup>th</sup> running will be celebrated in 2016, due to the suspension of the race during WWI and WWII; and*

*Whereas, It is fitting that the Indianapolis 500's 100<sup>th</sup> running should be celebrated and honored for its historical significance in the State of Indiana and for the long-standing global impact it has had in the sport of racing: Therefore,*

*Be it resolved by the Senate  
of the General Assembly of the State of Indiana,  
the House of Representatives concurring:*

SECTION 1. That the Indiana General Assembly celebrates the 100<sup>th</sup> running of the Indianapolis 500 and honors the long-history and significance of the race.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this resolution to the Indianapolis Motor Speedway.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

Representatives T. Brown, Carbaugh, Moed and Pryor are excused.

## **ACTION ON RULES SUSPENSIONS AND CONFERENCE COMMITTEE REPORTS**

### **COMMITTEE REPORT**

Mr. Speaker: Your Committee on Rules and Legislative Procedures has had under consideration House Rule 161.2 and recommends that it be suspended so that the following conference committee reports are eligible for consideration after March 3, 2016; we further recommend that House Rule 163.3 be suspended so that the following conference committee reports may be laid over on the members' desks for 3 hours, so that they may be eligible to be placed before the House for action: Engrossed House Bill 1136-1 and Engrossed Senate Bills 177-1 and 364-1.

TORR, Chair

Report adopted.

## HOUSE MOTION

Mr. Speaker: I move that House Rule 161.2 be suspended so that the following conference committee reports are eligible for consideration after March 3, 2016, and that House Rule 163.3 be suspended so that the following conference committee reports may be laid over on the members' desks for 3 hours, so that they may be eligible to be placed before the House for action: Engrossed House Bill 1136-1 and Engrossed Senate Bills 177-1 and 364-1.

TORR, Chair

Motion prevailed.

CONFERENCE COMMITTEE REPORT  
EHB 1136-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1136 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 4-33-4-3.5, AS AMENDED BY P.L.170-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015 (RETROACTIVE)]: Sec. 3.5. (a) As used in this section, "salaries and other expenses" does not include payments, rights, or benefits available to an employee under IC 22-3-2 through IC 22-3-7.

(b) The commission shall employ gaming agents to perform the duties imposed by this chapter. **Gaming agents and staff required to support the gaming agents are employees of the commission and are not considered to be employees of licensed owners and operating agents.**

(c) The licensed owners and operating agents shall, in the manner prescribed by the rules of the commission reimburse the commission for:

- (1) the training expenses incurred to train gaming agents;
- (2) the salaries and other expenses of staff required to support the gaming agents; and
- (3) the salaries and other expenses of the gaming agents required to be present during the time gambling operations are conducted on a riverboat.

**(d) This subsection applies to a state fiscal year beginning after June 30, 2016. Each licensed owner and each operating agent shall annually pay a special worker's compensation coverage fee of twelve thousand dollars (\$12,000) to the commission to be used exclusively to assist the commission in offsetting potential state expenses incurred under IC 22-3-2 through IC 22-3-7 by gaming agents and staff required to support the gaming agents.**

(e) This section is subject to section 3.7 of this chapter.

SECTION 2. IC 4-33-4-3.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015 (RETROACTIVE)]: Sec. 3.7. (a) Section 3.5 of this chapter, as in effect before July 1, 2015, applies to an injury or occupational disease occurring before July 1, 2015.

(b) Section 3.5 of this chapter, as amended during the 2016 session of the general assembly, applies to an injury or occupational disease occurring after June 30, 2015.

SECTION 3. IC 4-35-4-5, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015 (RETROACTIVE)]: Sec. 5. (a) As used in this section, "salaries and other expenses" does not include payments, rights, or benefits available to an employee under IC 22-3-2 through IC 22-3-7.

**(b) Gaming agents and staff required to support the gaming agents are employees of the commission and are not considered to be employees of licensees.**

(c) The commission shall employ gaming agents to perform duties imposed by this article. A licensee shall, under rules adopted by the commission under IC 4-22-2, reimburse the commission for:

- (1) training expenses incurred to train gaming agents;
- (2) salaries and other expenses of staff required to support the gaming agents; and
- (3) salaries and other expenses of the gaming agents required to be present during the time gambling games are being conducted at a racetrack.

**(d) This subsection applies to a state fiscal year beginning after June 30, 2016. Each licensee shall annually pay a special worker's compensation coverage fee of twelve thousand dollars (\$12,000) to the commission to be used exclusively to assist the commission in offsetting potential state expenses incurred under IC 22-3-2 through IC 22-3-7 by gaming agents and staff required to support the gaming agents.**

(e) This section is subject to section 5.1 of this chapter.

SECTION 4. IC 4-35-4-5.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015 (RETROACTIVE)]: Sec. 5.1. (a) Section 5 of this chapter, as in effect before July 1, 2015, applies to an injury or occupational disease occurring before July 1, 2015.

(b) Section 5 of this chapter, as amended during the 2016 session of the general assembly, applies to an injury or occupational disease occurring after June 30, 2015.

SECTION 5. IC 5-20-1-27, AS AMENDED BY P.L.247-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 27. (a) The home ownership education account within the state general fund is established to support:

- (1) home ownership education programs established under section 4(d) of this chapter;
- (2) mortgage foreclosure counseling and education programs established under IC 5-20-6-2; and
- (3) programs conducted by one (1) or a combination of the following to facilitate settlement conferences in residential foreclosure actions under IC 32-30-10.5:
  - (A) The judiciary.
  - (B) Pro bono legal services agencies.
  - (C) Mortgage foreclosure counselors (as defined in IC 32-30-10.5-6).
  - (D) Other nonprofit entities certified by the authority under section 4(d) of this chapter.

The account is administered by the authority.

(b) The home ownership education account consists of:

- (1) court fees collected under IC 33-37-5-33 (before its expiration on July 1, 2017);
- (2) civil penalties imposed and collected under:
  - (A) IC 6-1.1-12-43(g)(2)(B); or
  - (B) ~~IC 27-7-3-15.5(e)~~; IC 27-7-3-15.5(f); and
- (3) any civil penalties imposed and collected by a court for a violation of a court order in a foreclosure action under IC 32-30-10.5.

(c) The expenses of administering the home ownership education account shall be paid from money in the account.

(d) The treasurer of state shall invest the money in the home ownership education account not currently needed to meet the obligations of the account in the same manner as other public money may be invested.

SECTION 6. IC 5-20-6-3, AS AMENDED BY P.L.247-2015, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. In addition to using money provided for the program from:

- (1) court fees under IC 33-37-5-33 (before its expiration

on July 1, 2017);

(2) civil penalties imposed and collected under:

(A) IC 6-1.1-12-43(g)(2)(B); or

(B) ~~IC 27-7-3-15.5(e)~~; **IC 27-7-3-15.5(f)**; and

(3) any civil penalties imposed and collected by a court for a violation of a court order in a foreclosure action under IC 32-30-10.5;

the authority may solicit contributions and grants from the private sector, nonprofit entities, and the federal government to assist in carrying out the purposes of this chapter.

SECTION 7. IC 27-1-3.5-12.3, AS ADDED BY P.L.146-2015, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 12.3. (a) This section does not apply to a domestic insurer that meets ~~one~~ **(1)** of the following requirements:

(1) The domestic insurer has annual direct written and unaffiliated assumed premiums (including international direct and assumed premiums and excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program) of less than five hundred million dollars (\$500,000,000).

(2) **If** the domestic insurer is a member of a group of insurers, ~~that the group~~ has annual direct written and unaffiliated assumed premiums (including international direct and assumed premiums and excluding premiums reinsured with the Federal Crop Insurance Corporation and Federal Flood Program) of less than one billion dollars (\$1,000,000,000).

A domestic insurer or group of insurers described in this subsection shall comply with the requirements of this section not later than one (1) year after the year in which the domestic insurer's or group's annual direct written and unaffiliated assumed premiums described in subdivisions (1) and (2) exceed the applicable maximum amount specified in subdivision (1) or (2).

(b) A domestic insurer shall establish an internal audit function to:

(1) provide independent, objective, and reasonable assurance to the domestic insurer's audit committee and management concerning the domestic insurer's governance, risk management, and internal controls;

(2) perform general and specific audits, reviews, and tests; and

(3) use other techniques considered necessary to protect assets, evaluate control effectiveness and efficiency, and evaluate compliance with policies and regulations.

(c) An internal audit function established under subsection (b) must be organizationally independent, as follows:

(1) Ultimate judgment concerning audit matters must be made by the department responsible for the internal audit function.

(2) The department responsible for the internal audit function shall appoint an individual:

(A) to be responsible for the internal audit function; and

(B) to have direct and unrestricted access to the board of directors of the domestic insurer.

The internal audit function's organizational independence does not preclude dual reporting relationships.

(d) The director of the internal audit function shall report to the audit committee of a domestic insurer on a regular basis, at least annually, concerning the following:

(1) The internal audit function's periodic audit plan.

(2) Factors that may adversely affect the internal audit function's independence or effectiveness.

(3) Material findings from completed audits.

(4) The appropriateness of corrective actions implemented by management as a result of audit findings.

(e) If a domestic insurer is a member of an insurance holding company system or a member of a group of insurers, the

domestic insurer may satisfy the internal audit function requirements of this section at the ultimate controlling person level, an intermediate holding company level, or an individual legal entity level.

SECTION 8. IC 27-1-13-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 7. (a) No policy of insurance against:

(1) **a:**

(A) loss or damage resulting from accident to; or

(B) death or injury suffered by;

an employee or other person or persons and for which the person or persons insured are liable; or ~~against~~

(2) **a** loss or damage to property resulting from collision with any moving or stationary object and for which loss or damage the person or persons insured ~~is~~ **are** liable;

shall be issued or delivered in this state by any domestic or foreign corporation, insurance underwriters, association, or other insurer authorized to do business in this state, unless ~~there shall be contained within such the requirements of subsection (b) are met.~~

(b) **A policy described in subsection (a) must contain the following:**

(1) A provision that:

(A) the insolvency or bankruptcy of the person or persons insured shall not release the insurance carrier from the payment of damages for injury sustained or loss occasioned during the life of ~~such the~~ policy; and ~~stating that in case~~

(B) **if** execution against the insured is returned unsatisfied in an action brought by the injured person or his or her personal representative in case death resulted from the accident because of ~~such~~ insolvency or bankruptcy **described in clause (A)** then an action may be maintained by the injured person, or his or her personal representative, against ~~such the~~ domestic or foreign corporation, insurance underwriters, association or other insurer under the terms of the policy for the amount of the judgment in the said action not exceeding the amount of the policy. ~~No such policy shall be issued or delivered in this state by any foreign or domestic corporation, insurance underwriters, association or other insurer authorized to do business in this state, unless there shall be contained within such policy.~~

(2) A provision that notice given by or on behalf of the insured to any authorized agent of the insurer within this state, with particulars sufficient to identify the insured, shall be deemed to be notice to the insurer. ~~No such policy shall~~

(3) **If the policy is to** be issued or delivered in this state to the owner of a motor vehicle, ~~by any domestic or foreign corporation, insurance underwriters, association or other insurer authorized to do business in this state, unless there shall be contained within such policy~~ a provision insuring ~~such the~~ owner against liability for damages for death or injury to person or property resulting from negligence in the operation of ~~such the~~ motor vehicle, in the business of ~~such the~~ owner or otherwise, by any person legally using or operating the ~~same motor vehicle~~ with the permission, expressed or implied, of ~~such the~~ owner.

(c) If a motor vehicle is owned jointly by a husband and wife:

(1) either spouse may, with the written consent of the other spouse, be excluded from coverage under ~~the a~~ policy **described in subsection (b)(3); and**

(2) ~~A~~ the husband and wife may choose ~~instead~~ to have their liability covered under separate policies.

(d) **This section does not prohibit an insurer from making available a named driver exclusion in a commercial motor vehicle policy.**

(e) A policy issued in violation of this section shall,

nevertheless, be held valid but be deemed to include the provisions required by this section, and when any provision in ~~such~~ the policy or rider is in conflict with ~~the~~ a provision required to be contained by this section, the rights, duties and obligations of the insurer, the policyholder and the injured person or persons shall be governed by the provisions of this section.

(b) (f) No policy of insurance shall be issued or delivered in this state by any foreign or domestic corporation, insurance underwriters, association, or other insurer authorized to do business in this state, unless it contains a provision that authorizes such foreign or domestic corporation, insurance underwriters, association, or other insurer authorized to do business in this state to settle the liability of its insured under IC 34-18 without the consent of its insured when the unanimous opinion of the medical review panel under IC 34-18-10-22(b)(1) is that the evidence supports the conclusion that the defendant failed to comply with the appropriate standard of care as charged in the complaint.

SECTION 9. IC 27-1-15.6-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8. (a) Unless denied licensure under section 12 of this chapter, a nonresident person shall receive a nonresident producer license if:

- (1) the person is currently licensed as a resident and in good standing in the person's home state;
- (2) the person has submitted the proper request for licensure and has paid the fees required under section 32 of this chapter;
- (3) the person has submitted or transmitted to the commissioner:
  - (A) the application for licensure that the person submitted to the person's home state; or
  - (B) a completed uniform application; and
- (4) the person's home state awards non-resident producer licenses to residents of Indiana on the same basis as non-resident producer licenses are awarded to residents of other states under this chapter.

(b) The commissioner may verify a producer's licensing status through the Producer Database maintained by the National Association of Insurance Commissioners and its affiliates or subsidiaries.

(c) A:

- (1) person who holds an Indiana nonresident producer's license and moves from one state to another state; or
- (2) a resident producer who moves from Indiana to another state;

shall file a change of address with the Indiana department of insurance and provide certification from the new resident state not more than thirty (30) days after the change of legal residence. No fee or license application is required under this subsection.

(d) Notwithstanding any other provision of this chapter, a person licensed as a surplus lines producer in the person's home state shall receive a nonresident surplus lines producer license under subsection (a). Except as provided in subsection (a), nothing in this section otherwise amends or supercedes IC 27-1-15.8, as added by this act.

(e) Notwithstanding any other provision of this chapter, a person who is not a resident of Indiana and who is licensed as a limited lines credit insurance producer or another type of limited lines producer in the person's home state shall, upon application, receive a nonresident limited lines producer license under subsection (a) granting the same scope of authority as is granted under the license issued by the person's home state.

**(f) Notwithstanding any other provision of this chapter, a nonresident producer who receives a nonresident producer license under this section shall maintain licensure in good standing in the nonresident producer's home state.**

**(g) If a nonresident producer fails to maintain licensure in good standing in the nonresident producer's home state,**

**the commissioner may:**

- (1) in the commissioner's sole discretion;**
- (2) without a hearing; and**
- (3) in addition to any other sanction allowed by law; suspend any Indiana insurance producer license held by the nonresident producer until the commissioner receives notice from the nonresident producer's home state that the home state license is in effect.**

SECTION 10. IC 27-1-23-1, AS AMENDED BY P.L.81-2012, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. As used in this chapter, the following terms shall have the respective meanings set forth in this section, unless the context shall otherwise require:

(a) An "acquiring party" is the specific person by whom an acquisition of control of a domestic insurer or of any corporation controlling a domestic insurer is to be effected, and each person who directly, or indirectly through one (1) or more intermediaries, controls the person specified.

(b) An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one (1) or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

(c) A "beneficial owner" of a voting security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, revocable or irrevocable proxy, or otherwise has or shares:

- (1) voting power including the power to vote, or to direct the voting of, the security; or
- (2) investment power which includes the power to dispose, or to direct the disposition, of the security.

(d) "Commissioner" means the insurance commissioner of this state.

(e) "Control" (including the terms "controlling", "controlled by", and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the beneficial ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position or corporate office. Control shall be presumed to exist if any person beneficially owns ten percent (10%) or more of the voting securities of any other person. The commissioner may determine this presumption has been rebutted only by a showing made in the manner provided by section 3(k) of this chapter that control does not exist in fact, after giving all interested persons notice and an opportunity to be heard. Control shall be presumed again to exist upon the acquisition of beneficial ownership of each additional five percent (5%) or more of the voting securities of the other person. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard, that control exists in fact, notwithstanding the absence of a presumption to that effect.

(f) "Department" means the department of insurance created by IC 27-1-1-1.

(g) A "domestic insurer" is an insurer organized under the laws of this state.

(h) "Earned surplus" means an amount equal to the unassigned funds of an insurer as set forth in the most recent annual statement of an insurer that is submitted to the commissioner, excluding surplus arising from unrealized capital gains or revaluation of assets.

(i) "Enterprise risk" means an activity, circumstance, event, or series of events that involves at least one (1) affiliate of an insurer that, if not remedied promptly, is likely to have a material adverse effect upon the financial condition or liquidity of the insurer or the insurer's insurance holding company system as a whole, including an activity, circumstance, event, or series of events that would cause the:

- (1) insurer's risk based capital to fall into company action

level under IC 27-1-36; or

(2) insurer to be in hazardous financial condition subject to IC 27-1-3-7 and rules adopted under IC 27-1-3-7.

**(j) "Group wide supervisor" means the regulatory official who is:**

**(1) authorized by the commissioner to conduct and coordinate group wide supervision of an internationally active insurance group; and**

**(2) determined by the commissioner to have sufficient significant contact with the internationally active insurance group to enable group wide supervision.**

**(k)** An "insurance holding company system" consists of two (2) or more affiliated persons, one (1) or more of which is an insurer.

**(l)** "Insurer" has the same meaning as set forth in IC 27-1-2-3, except that it does not include:

(1) agencies, authorities, or instrumentalities of the United States, its possessions and territories, the Commonwealth of Puerto Rico, the District of Columbia, or a state or political subdivision of a state; or

(2) nonprofit medical and hospital service associations.

The term includes a health maintenance organization (as defined in IC 27-13-1-19) and a limited service health maintenance organization (as defined in IC 27-13-1-27).

**(m) "Internationally active insurance group" means an insurance holding company system that:**

**(1) includes an insurer that is registered under section 3 of this chapter; and**

**(2) meets the following requirements:**

**(A) The insurance holding company system has premiums written in at least three (3) countries.**

**(B) The percentage of the insurance holding company system's gross premiums written outside the United States is at least ten percent (10%) of the insurance holding company system's total gross written premiums.**

**(c) Based on a three (3) year rolling average, the:**

**(i) total assets of the insurance holding company system are at least fifty billion dollars (\$50,000,000,000); or**

**(ii) total gross written premiums of the insurance holding company system are at least ten billion dollars (\$10,000,000,000).**

**(n)** "NAIC" refers to the National Association of Insurance Commissioners.

**(o)** "Supervisory college" means a temporary or permanent forum:

(1) comprised of regulators, including other state, federal, and international regulators, responsible for the supervision of:

(A) a domestic insurer that is part of an insurance holding company system that has international operations;

(B) an insurance holding company system described in clause (A); or

(c) an affiliate of:

(i) a domestic insurer described in clause (A); or

(ii) an insurance holding company system described in clause (B); and

(2) established to facilitate communication and cooperation between the regulators described in subdivision (1).

**(p)** A "person" is an individual, a corporation, a limited liability company, a partnership, an association, a joint stock company, a trust, an unincorporated organization, any similar entity or any combination of the foregoing acting in concert. ~~but~~ **The term does not include any the following:**

**(1) A securities broker performing no more than the usual and customary broker's function.**

**(2) A joint venture partnership that is exclusively**

**engaged in owning, managing, leasing, or developing real or tangible personal property.**

**(q)** A "policyholder" of a domestic insurer includes any person who owns an insurance policy or annuity contract issued by the domestic insurer, any person reinsured by the domestic insurer under a reinsurance contract or treaty between the person and the domestic insurer, and any health maintenance organization with which the domestic insurer has contracted to provide services or protection against the cost of care.

**(r) "Securityholder" means a person that owns a security of a specified person, including common stock, preferred stock, debt obligations, and any other security that:**

**(1) is convertible to; or**

**(2) evidences the right to acquire; a common stock, preferred stock, or debt obligation.**

**(s)** A "subsidiary" of a specified person is an affiliate controlled by that person directly or indirectly through one or more intermediaries.

**(t)** "Surplus" means the total of gross paid in and contributed surplus, special surplus funds, and unassigned surplus, less treasury stock at cost.

**(u)** "Voting security" includes any security convertible into or evidencing a right to acquire a voting security.

SECTION 11. IC 27-1-23-3, AS AMENDED BY P.L.129-2014, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) Every insurer which is authorized to do business in this state and which is a member of an insurance holding company system shall register with the commissioner, except a foreign insurer subject to disclosure requirements and standards adopted by statute or regulation in the jurisdiction of its domicile which are substantially similar to those contained in:

(1) this section;

(2) section 4(a) and 4(c) of this chapter; and

(3) section 4(b) of this chapter or a provision such as the following:

Each registered insurer shall keep current the information required to be disclosed in its registration statement by reporting all material changes or additions within fifteen (15) days after the end of the month in which it learns of each such change or addition.

Any insurer which is subject to registration under this section shall register within fifteen (15) days after it becomes subject to registration, and annually thereafter by July 1 of each year for the previous calendar year, unless the commissioner for good cause shown extends the time for registration, and then within such extended time. The commissioner may require any authorized insurer which is a member of an insurance holding company system but not subject to registration under this section to furnish a copy of the registration statement or other information filed by such insurer with the insurance regulatory authority of its domiciliary jurisdiction.

(b) Every insurer subject to registration shall file a registration statement on a form prescribed by the commissioner, which shall contain current information about all of the following:

(1) The capital structure, general financial condition, ownership and management of the insurer and any person controlling the insurer.

(2) The identity of every member of the insurance holding company system.

(3) The following agreements in force, relationships subsisting, and transactions that are currently outstanding or that have occurred during the last calendar year between such insurer and its affiliates:

(A) loans, other investments, or purchases, sales or exchanges of securities of the affiliates by the insurer or of the insurer by its affiliates;

(B) purchases, sales, or exchanges of assets;



(c) transactions not in the ordinary course of business;  
 (D) guarantees or undertakings for the benefit of an affiliate which result in an actual contingent exposure of the insurer's assets to liability, other than insurance contracts entered into in the ordinary course of the insurer's business;

(E) all management and service contracts and all cost-sharing arrangements; ~~other than cost allocation arrangements based upon generally accepted accounting principles;~~

(F) reinsurance agreements; ~~covering all or substantially all of one (1) or more lines of insurance of the ceding insurer;~~

(G) dividends and other distributions to shareholders; and

(H) consolidated tax allocation agreements.

(4) Any pledge of the insurer's stock, including stock of any subsidiary or controlling affiliate, for a loan made to any member of the insurance holding company system.

(5) If requested by the commissioner, financial statements of the insurance holding company system, the parent corporation of the insurer, or all affiliates, including annual audited financial statements filed with the federal Securities and Exchange Commission under the Securities Act of 1933 or the federal Securities Exchange Act of 1934, both as amended.

(6) Statements reflecting that the insurer's:

(A) board of directors oversees corporate governance and internal controls; and

(B) officers or senior management have approved and implemented and maintain and monitor corporate governance and internal control procedures.

(7) Other matters concerning transactions between registered insurers and any affiliates as may be included from time to time in any registration forms prescribed by the commissioner.

(8) Other information that the commissioner requires under rules adopted under IC 4-22-2.

(c) Every registration statement must contain a summary outlining all items in the current registration statement representing changes from the prior registration statement.

(d) No information need be disclosed on the registration statement filed pursuant to subsection (b) if such information is not material for the purposes of this section. Unless the commissioner by rule or order provides otherwise, sales, purchases, exchanges, loans or extensions of credit, or investments, involving ~~one-half of one per cent (1%)~~ (0.5%) or less of an insurer's admitted assets as of the 31st day of December next preceding shall not be deemed material for purposes of this section.

(e) Each registered insurer shall keep current the information required to be disclosed in its registration statement by reporting all material changes or additions on amendment forms prescribed by the commissioner within fifteen (15) days after the end of the month in which it learns of each such change or addition.

(f) A person within an insurance holding company system subject to registration under this chapter shall provide complete and accurate information to an insurer when that information is reasonably necessary to enable the insurer to comply with this chapter.

(g) The commissioner shall terminate the registration of any insurer which demonstrates that it no longer is subject to the provisions of this section.

(h) The commissioner may require or allow two (2) or more affiliated insurers subject to registration under this section to file a consolidated registration statement or consolidated reports amending their consolidated registration statement or their individual registration statements.

(I) The commissioner may allow an insurer which is

authorized to do business in this state and which is a member of an insurance holding company system to register on behalf of any affiliated insurer which is required to register under subsection (a) and to file all information and material required to be filed under this section.

(j) The provisions of this section shall not apply to any insurer, information, or transaction if and to the extent that the commissioner by rule or order shall exempt the same from the provisions of this section.

(k) Any person may file with the commissioner a disclaimer of affiliation with any authorized insurer or such a disclaimer may be filed by such insurer or any member of an insurance holding company system. The disclaimer shall fully disclose all material relationships and bases for affiliation between such person and such insurer as well as the basis for disclaiming such affiliation. After a disclaimer has been filed, the insurer shall be relieved of any duty to register or report under this section which may arise out of the insurer's relationship with such person unless and until the commissioner disallows such disclaimer. A disclaimer of affiliation is considered to have been granted unless the commissioner, less than thirty (30) days after receiving a disclaimer, notifies the person filing the disclaimer that the disclaimer is disallowed. The commissioner shall disallow such disclaimer only after furnishing all parties in interest with notice and opportunity to be heard.

(l) The person that ultimately controls an insurer that is subject to registration shall file with the lead state commissioner of the insurance holding company system (as determined by the procedures in the Financial Analysis Handbook adopted by the NAIC) an annual enterprise risk report that identifies, to the best of the person's knowledge, the material risks within the insurance holding company system that could pose enterprise risk to the insurer.

(m) The commissioner may impose on a person a civil penalty of one hundred dollars (\$100) per day that the person fails to file, within the period specified, a:

(1) registration statement; or

(2) summary of a registration statement or enterprise risk filing;

required by this section. The commissioner shall deposit a civil penalty collected under this subsection in the department of insurance fund established by IC 27-1-3-28.

SECTION 12. IC 27-1-23-4, AS AMENDED BY P.L.146-2015, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) Material transactions within an insurance holding company system to which an insurer subject to registration is a party shall be subject to the following standards:

(1) The terms shall be fair and reasonable.

(2) Agreements concerning cost sharing services and management must include provisions required by the commissioner in rules adopted under IC 4-22-2.

(3) The charges or fees for services performed shall be reasonable.

(4) The expenses incurred and payment received shall be allocated to the insurer in conformity with customary insurance accounting practices consistently applied.

(5) The books, accounts, and records of each party as to all transactions described in this subsection shall be so maintained as to clearly and accurately disclose the nature and details of the transactions, including accounting information necessary to support the reasonableness of the charges or fees to the respective parties.

(6) The insurer's surplus as regards policyholders following any transactions with affiliates or shareholder dividend shall be reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs.

(b) The following transactions involving a domestic insurer and any person in its insurance holding company system (including amendments or modifications to affiliate agreements

previously filed under this chapter) that are subject to any materiality standards described in subdivisions (1) through (7) may not be entered into unless the insurer has notified the commissioner in writing of its intention to enter into such transaction at least thirty (30) days prior thereto, or such shorter period as the commissioner may permit, and the commissioner has not disapproved it within that period:

(1) Sales, purchases, exchanges, loans or extensions of credit, guarantees, or investments, provided those transactions are equal to or exceed:

(A) with respect to nonlife insurers, the lesser of three percent (3%) of the insurer's admitted assets or twenty-five percent (25%) of surplus as regards policyholders; and

(B) with respect to life insurers, three percent (3%) of the insurer's admitted assets;

each as of December 31 next preceding.

(2) Loans or extensions of credit to any person who is not an affiliate, where the insurer makes those loans or extensions of credit with the agreement or understanding that the proceeds of such transactions, in whole or in substantial part, are to be used to make loans or extensions of credit to, to purchase assets of, or to make investments in, any affiliate of the insurer making such loans or extensions of credit, provided those transactions are equal to or exceed:

(A) with respect to nonlife insurers, the lesser of three percent (3%) of the insurer's admitted assets or twenty-five percent (25%) of surplus as regards policyholders; and

(B) with respect to life insurers, three percent (3%) of the insurer's admitted assets;

each as of December 31 next preceding.

(3) Reinsurance agreements or modifications thereto, including:

(A) reinsurance pooling agreements; and

(B) agreements under which:

(i) a reinsurance premium;

(ii) a change in the insurer's liabilities; or

(iii) the projected reinsurance premium;

in any of the immediately succeeding three (3) years equals or exceeds five percent (5%) of the insurer's surplus as regards policyholders, as of December 31 next preceding, including those agreements that may require as consideration the transfer of assets from an insurer to a nonaffiliate, if an agreement or understanding exists between the insurer and nonaffiliate that any portion of the assets will be transferred to one (1) or more affiliates of the insurer.

(4) Management agreements, service contracts, cost-sharing arrangements, lease agreements, **guarantees**, and tax allocation agreements.

(5) Guarantees made by the insurer, only as follows:

(A) A guarantee, the amount of which is not quantifiable.

(B) A guarantee, the amount of which is quantifiable, if the amount of the guarantee exceeds the lesser of:

(i) one-half of one percent (0.5%) of the insurer's admitted assets; or

(ii) ten percent (10%) of surplus as regards policyholders;

on December 31 of the immediately preceding calendar year.

(6) Direct or indirect acquisitions or investments, as follows:

(A) In:

(i) a person that controls the insurer; or

(ii) an affiliate of the insurer in an amount that, together with the insurer's present holdings in the investments, exceeds two and one-half percent

(2.5%) of the insurer's surplus to policyholders.

(B) This subdivision does not apply to direct or indirect acquisitions or investments in:

(i) subsidiaries acquired under section 2.6 of this chapter; or

(ii) nonsubsidiary insurance affiliates that are subject to this chapter.

(7) Material transactions, specified by rule, that the commissioner determines may adversely affect the interests of the insurer's policyholders.

This subsection does not authorize or permit any transactions that, in the case of an insurer not a member of the same insurance holding company system, would be otherwise contrary to law. Notice concerning amendments or modifications of a transaction must include the reasons for the change and the financial impact on the domestic insurer. Not more than thirty (30) days after an agreement that was previously filed under this section is terminated, the domestic insurer shall send written notice of the termination to the commissioner. The commissioner shall determine whether a filing concerning the termination is required and shall notify the domestic insurer of the commissioner's determination.

(c) A domestic insurer may not enter into transactions that are part of a plan or series of like transactions with persons within the insurance holding company system if the purpose of those separate transactions is to avoid the statutory threshold amount and thus avoid the review that would occur otherwise.

(d) The commissioner, in reviewing transactions pursuant to subsection (b), shall consider whether the transactions comply with the standards set forth in subsection (a) and whether the transactions may adversely affect the interests of policyholders.

(e) The commissioner shall be notified within thirty (30) days of any investment of the domestic insurer in any one (1) corporation if the total investment in that corporation by the insurance holding company system exceeds ten percent (10%) of the corporation's voting securities.

(f) For purposes of this chapter, in determining whether an insurer's surplus is reasonable in relation to the insurer's outstanding liabilities and adequate to its financial needs, the following factors, among others, shall be considered:

(1) The size of the insurer as measured by its assets, capital and surplus, reserves, premium writings, insurance in force and other appropriate criteria.

(2) The extent to which the insurer's business is diversified among the several lines of insurance.

(3) The number and size of risks insured in each line of business.

(4) The extent of the geographical dispersion of the insurer's insured risks.

(5) The nature and extent of the insurer's reinsurance program.

(6) The quality, diversification, and liquidity of the insurer's investment portfolio.

(7) The recent past and projected future trend in the size of the insurer's surplus as regards policyholders.

(8) The surplus as regards policyholders maintained by other comparable insurers in respect of the factors described in subdivisions (1) through (7).

(9) The adequacy of the insurer's reserves.

(10) The quality and liquidity of investments in subsidiaries, except that the commissioner may discount or treat any such investment in subsidiaries as a disallowed asset for purposes of determining the adequacy of surplus whenever in the commissioner's judgment such investment so warrants.

(11) The quality of the earnings of the insurer and the extent to which the reported earnings of the insurer include extraordinary items.

(g) No domestic insurer subject to registration under section 3 of this chapter shall pay an extraordinary dividend or make

any other extraordinary distribution to its security holders until:

- (1) thirty (30) days after the commissioner has received notice of the declaration thereof and has not within such period disapproved such payment; or
- (2) the commissioner shall have approved such payment within such thirty (30) day period.

(h) For purposes of subsection (g), **the following apply with respect to an extraordinary dividend or distribution:**

**(1) An extraordinary dividend or distribution** is any dividend or distribution of cash or other property whose fair market value, together with that of other dividends or distributions made within the twelve (12) consecutive months ending on the date on which the proposed dividend or distribution is scheduled to be made, exceeds the ~~greater~~ **lesser** of:

~~(1)~~ **(A)** ten percent (10%) of such insurer's surplus as regards policyholders as of the most recently preceding December 31; or

~~(2)~~ **(B)** the:

**(i)** net gain from operations of such insurer, if such insurer is a life insurer; or ~~the~~

**(ii)** net income, if such insurer is not a life insurer; **not including realized capital gains**, for the twelve (12) month period ending on the most recently preceding December 31.

**(2) An extraordinary dividend or distribution does not include pro rata distribution of any class of an insurer's own securities.**

**(3) For purposes of determining whether a dividend or distribution is extraordinary, an insurer that is not a life insurer may carry forward net income that:**

**(A)** was received during the two (2) immediately preceding calendar years; and

**(B)** has not been paid out as dividends;

**computed by subtracting the amount of dividends paid in the first and second immediately preceding calendar years from the amount of net income, not including realized capital gains, received in the second and third immediately preceding calendar years.**

(I) Notwithstanding any other provision of law, a domestic insurer may declare an extraordinary dividend or distribution which is conditional upon the commissioner's approval thereof, but such a declaration shall confer no rights upon shareholders until:

- (1) the commissioner has approved the payment of such dividend or distribution; or
- (2) the commissioner has not disapproved the payment within the thirty (30) day period referred to in subsection (g).

(j) The commissioner may impose a civil penalty of five thousand dollars (\$5,000) on a person who fails to file a transaction as required by this section. The commissioner shall deposit a civil penalty collected under this subsection in the department of insurance fund established by IC 27-1-3-28.

SECTION 13. IC 27-1-23-5.1, AS ADDED BY P.L. 81-2012, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5.1. (a) The commissioner may participate in a supervisory college for a domestic insurer that is part of an insurance holding company system that has international operations, and any affiliate of the insurer, to do the following:

- (1) Determine whether the insurer or affiliate is in compliance with this chapter.
- (2) Assess the business strategy, financial position, legal and regulatory position, risk exposure, risk management, and governance processes that apply to the insurer or affiliate.
- (3) Examine the insurer or affiliate.

(b) The powers of the commissioner under subsection (a) include the following:

- (1) Initiation of the establishment of the supervisory college.
- (2) Clarification of the membership and participation of other supervisors in the supervisory college.
- (3) Clarification of the functions of the supervisory college and the role of other regulators, including the establishment of a group **wide** supervisor.
- (4) Coordination of the activities of the supervisory college, including planning meetings, **supervisory activities**, and information sharing procedures.
- (5) Establishment of a crisis management plan.

(c) An insurer that is described in subsection (a) shall pay the commissioner's reasonable expenses of participation in a supervisory college, including travel expenses. The commissioner may establish a regular assessment to the insurer for payment of the expenses.

(d) The commissioner may enter into agreements in accordance with the requirements that apply to an agreement entered into with the NAIC under section 6 of this chapter to specify the activities of the commissioner and other regulators participating in the supervisory college.

(e) This section does not delegate to a supervisory college a commissioner's authority to regulate or supervise the insurer described in subsection (a) or the insurer's affiliates within the commissioner's jurisdiction.

SECTION 14. IC 27-1-23-5.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5.3. (a) **The commissioner shall, in cooperation with other state, federal, and international regulatory agencies, do either of the following to identify a single group wide supervisor for an internationally active insurance group:**

**(1) Act as the group wide supervisor if the commissioner determines that the internationally active insurance group conducts substantial insurance operations in Indiana.**

**(2) Acknowledge another regulatory official as the group wide supervisor if the commissioner determines that the internationally active insurance group:**

**(A) does not have substantial insurance operations in the United States;**

**(B) has substantial insurance operations in the United States, but not in Indiana; or**

**(c) has substantial insurance operations in the United States and Indiana, but the commissioner has determined according to subsections (c), (d), and (j) that the other regulatory official is the appropriate group wide supervisor.**

**(b) The commissioner may, upon request of an insurance holding company system that does not qualify as an internationally active insurance group, make a determination and act as, or acknowledge another regulatory official as, a group wide supervisor for the insurance holding company system under subsection (a) as if the insurance holding company system was an internationally active insurance group.**

**(c) In making a determination under subsection (a), the commissioner shall consider all of the following:**

**(1) The place of domicile of the internationally active insurance group insurers that hold the largest share of the internationally active insurance group's written premiums, assets, or liabilities.**

**(2) The place of domicile of the top tiered insurers in the internationally active insurance group's insurance company holding system.**

**(3) The location of the internationally active insurance group's executive offices or largest operational offices.**

**(4) Whether another regulatory official is acting or seeks to act as the group wide supervisor under a regulatory system that the commissioner determines to**

be:

- (A) substantially similar to the regulatory system under the law of this state; or
- (B) sufficient to provide for group wide supervision, enterprise risk analysis, and cooperation with other regulatory officials.

(5) Whether a regulatory official described in subdivision 4 provides the commissioner with reasonably reciprocal recognition and cooperation.

(d) If a regulatory official who is identified as the group wide supervisor under this section considers another regulatory official to be more appropriate to serve as the group wide supervisor, the commissioner shall cooperatively do the following with the other regulatory officials involved with supervision of members of the internationally active insurance group, and in consultation with the internationally active insurance group:

(1) Consider the factors described in subsection (c) with respect to the other regulatory official considered more appropriate to serve as the group wide supervisor.

(2) If the commissioner considers the other regulatory official to be appropriate to serve as the group wide supervisor, acknowledge the other regulatory official, subject to the acknowledgment of the other regulatory officials.

(e) Notwithstanding any other law, if another regulatory official is acting as the group wide supervisor of an internationally active insurance group, the commissioner shall acknowledge the other regulatory official as the group wide supervisor. However, if there is a material change in the internationally active insurance group that results in:

(1) the internationally active insurance group's Indiana domiciled insurers holding the largest share of the internationally active insurance group's premiums, assets, or liabilities; or

(2) Indiana being the domicile of the internationally active insurance group's insurance holding company system's top tiered insurers;

the commissioner shall make a determination concerning the appropriate group wide supervisor for the internationally active insurance group as described in subsections (c) and (d).

(f) The commissioner may, under section 5 of this chapter, obtain from an insurer that is registered under section 3 of this chapter all information necessary to make a determination under this section.

(g) Before making a final determination that the commissioner will act as the group wide supervisor of an internationally active insurance group:

(1) the commissioner shall notify the:

(A) insurer that is registered under section 3 of this chapter; and

(B) ultimate controlling person;

in the internationally active insurance group; and

(2) the internationally active insurance group has at least thirty (30) days to provide the commissioner with additional information relevant to the commissioner's final determination.

(h) Upon making a final determination that the commissioner will act as the group wide supervisor of an internationally active insurance group, the commissioner shall publish that information, including the identity of the internationally active insurance group, in the Indiana Register and on the department's Internet web site.

(i) The commissioner may do any of the following with respect to an internationally active insurance group subject to group wide supervision by the commissioner:

(1) Assess enterprise risk in the internationally active insurance group to ensure that:

(A) the material financial condition and liquidity

risks to members of the internationally active insurance group that are engaged in the business of insurance are identified by management; and

(B) reasonable and effective mitigation measures are in place to address the risks described in clause (A).

(2) Request from any member of the internationally active insurance group information necessary and appropriate to assess enterprise risk, including the following information concerning the members of the internationally active insurance group:

(A) Governance, risk assessment, and management.

(B) Capital adequacy.

(C) Material intercompany transactions.

(3) Coordinate and, through the regulatory authority of the jurisdictions where members of the internationally active insurance group are domiciled, compel development and implementation of reasonable measures to ensure that the internationally active insurance group is able to, in a timely manner, recognize and mitigate enterprise risks to members of the internationally active insurance group that are engaged in the business of insurance.

(4) Communicate with other state, federal, and international regulatory officials for members in the internationally active insurance group and share relevant information subject to the confidentiality provisions of section 6 of this chapter, through supervisory colleges under section 5.1 of this chapter or otherwise.

(5) Enter into agreements with or obtain documentation from any:

(A) insurer registered under section 3 of this chapter;

(B) member of the internationally active insurance group; and

(C) other state, federal, and international regulatory official for members of the internationally active insurance group;

to establish the basis for or otherwise clarify the commissioner's role as group wide supervisor, including provisions to resolve disputes with other regulatory officials. An agreement or documentation described in this subdivision may not serve as evidence in any proceeding that an insurer or a person in an insurance holding company system that is not domiciled or incorporated in Indiana is doing business in Indiana or is otherwise subject to the jurisdiction of this state.

(6) Other group wide supervision activities consistent with this section, as the commissioner determines necessary.

(j) If the commissioner acknowledges another regulatory official from a jurisdiction that is not accredited by the NAIC as the group wide supervisor of an internationally active insurance group, the commissioner may reasonably cooperate, through supervisory colleges or otherwise, with the regulatory official's group wide supervision if:

(1) the commissioner's cooperation is in compliance with the law of this state; and

(2) the regulatory official recognizes and cooperates with the commissioner's activities as a group wide supervisor for other internationally active insurance groups, as applicable.

If a regulatory official is not described in subdivision (2), the commissioner may refuse to recognize and cooperate with the regulatory official as the group wide supervisor.

(k) The commissioner may enter into agreements with or obtain documentation from:

(1) an insurer registered under section 3 of this chapter;

- (2) an affiliate of an insurer described in subdivision (1); and
- (3) other state, federal, and international regulatory agencies for members;

of an internationally active insurance group that provide a basis for or clarify a regulatory official's role as group wide supervisor of the internationally active insurance group.

(l) An insurer that is registered under section 3 of this chapter and subject to this section is liable for and shall pay the reasonable expenses of the commissioner's participation in the implementation of this section, including costs of attorneys, actuaries, other professionals, and reasonable travel expense.

SECTION 15. IC 27-1-23-8.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8.1. (a) If it appears to the commissioner that an insurer or a director, an officer, an employee, or an agent of an insurer has knowingly or intentionally violated this chapter, the commissioner may report the violation to the prosecutor of the county in which the conduct giving rise to the report occurred.

(b) Except as provided in subsection (c), an officer, a director, an employee, or an agent of an insurer or of an insurance holding company system who knowingly or intentionally violates the following commits a Level 6 felony (IC 35-50-2-7):

- (1) Section 1.5(a) or 1.5(b) of this chapter.
- (2) Section 2(a) or 2(b) of this chapter.
- (3) Section 2.5(n) or 2.5(o) of this chapter.
- (4) Section 2.6(g), 2.6(i), 2.6(j), 2.6(k), 2.6(l), 2.6(m), 2.6(n), or 2.6(p) of this chapter.
- (5) Section 3(a), 3(b), 3(e), or 3(f) of this chapter.
- (6) Section 4(a), 4(b), 4(c), 4(e), 4(g), or 4(i) of this chapter.
- (7) Section 5(c) or 5(e) of this chapter.
- (8) Section 8(b) of this chapter.

(c) An officer, a director, or an employee of an insurance holding company system who knowingly or intentionally subscribes to or makes or causes to be made a false statement, false report, or false filing with the intent to deceive the commissioner in the performance of the commissioner's duties under this chapter:

- (1) commits a Level 4 felony (IC 35-50-2-5.5); and
- (2) except as provided in subsection (d), is in the officer's, director's, or employee's individual capacity subject to a civil penalty imposed by the commissioner of not more than one million dollars (\$1,000,000).

(d) A director or an officer of an insurance holding company system who:

- (1) knowingly or intentionally violates this chapter; or
- (2) knowingly or intentionally participates in, assents to, or permits an insurer's, officer's, employee's, or agent's engagement in transactions or the purchase of investments that:

- (A) have not been properly reported or submitted under section 3(a), 4(b), or 4(g) of this chapter; or
- (B) violate this chapter;

is, in the director's or officer's individual capacity and after notice and hearing under IC 4-21.5, subject to a civil penalty of not more than ten thousand dollars (\$10,000) per violation.

(e) The commissioner may impose a civil penalty of not more than one million dollars (\$1,000,000) on an insurer that knowingly or intentionally violates this chapter.

(f) In determining the amount of the civil penalty under this section, the commissioner shall consider the appropriateness of the amount of the civil penalty with respect to the gravity of the violation, any history of previous violations, and other matters considered appropriate by the commissioner.

(g) If it appears to the commissioner that an insurer subject to this chapter, or a director, an officer, an employee, or an agent of an insurer, has engaged in a transaction or entered into a contract:

- (1) that is subject to section 4 of this chapter;
- (2) for which the commissioner's approval was not requested; and
- (3) that would not have been approved by the commissioner if the commissioner's approval had been requested;

the commissioner may order the insurer to immediately cease and desist from activity under the transaction or contract. The commissioner may, after notice and hearing under IC 4-21.5, order the insurer to void any contract and restore the status quo if the commissioner determines that the action is in the best interest of the insurer's policyholders or creditors or the public.

(h) If it appears to the commissioner that:

- (1) a person has committed a violation of section 2 of this chapter; and
- (2) the violation prevents the full understanding of the enterprise risk to the insurer by affiliates or the insurance holding company system;

the violation may serve as an independent basis for disapproving dividends or distributions and for placing the insurer under an order of supervision in accordance with IC 27-9.

SECTION 16. IC 27-1-27-7.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 7.2. (a) Notwithstanding any other provision of this chapter, a nonresident public adjuster who receives a certificate of authority under this chapter shall maintain licensure as a public adjuster in good standing in the nonresident public adjuster's home state.

(b) If a nonresident public adjuster fails to maintain licensure in good standing in the nonresident public adjuster's home state, the commissioner may:

- (1) in the commissioner's sole discretion;
- (2) without a hearing; and
- (3) in addition to any other sanction allowed by law;

suspend any Indiana insurance producer license or certificate of authority held by the nonresident public adjuster until the commissioner receives notice from the nonresident public adjuster's home state that the home state license is in effect.

SECTION 17. IC 27-7-3-15.5, AS AMENDED BY P.L.116-2015, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 15.5. (a) This section applies to the following transactions:

- (1) A mortgage transaction (as defined in IC 24-9-3-7(a)) that:

- (A) is:
  - (i) a first lien purchase money mortgage transaction; or
  - (ii) a refinancing transaction; and
- (B) is closed by a closing agent after December 31, 2009.

- (2) A real estate transaction (as defined in IC 24-9-3-7(b)) that:

- (A) does not involve a mortgage transaction described in subdivision (1); and
- (B) is closed by a closing agent (as defined in IC 6-1.1-12-43(a)(2)) after December 31, 2011.

(b) For purposes of this subsection, a person described in this subsection is involved in a transaction to which this section applies if the person participates in or assists with, or will participate in or assist with, a transaction to which this section applies. The department shall establish and maintain an electronic system for the collection and storage of the following

information, to the extent applicable, concerning a transaction to which this section applies:

- (1) In the case of a transaction described in subsection (a)(1), the name and license number (under IC 23-2-5) of each loan brokerage business involved in the transaction.
- (2) In the case of a transaction described in subsection (a)(1), the name and license or registration number of any mortgage loan originator who is:
  - (A) either licensed or registered under state or federal law as a mortgage loan originator consistent with the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (H.R. 3221 Title V); and
  - (B) involved in the transaction.
- (3) The name and license number (under IC 25-34.1) of each:
  - (A) broker company; and
  - (B) broker if any;
 involved in the transaction.
- (4) The following information:
  - (A) The:
    - (i) name of; and
    - (ii) code assigned by the National Association of Insurance Commissioners (NAIC) to;
 each title insurance underwriter involved in the transaction.
  - (B) The type of title insurance policy issued in connection with the transaction.
- (5) The name and license number (under IC 27-1-15.6) of each title insurance agency and agent involved in the transaction as a closing agent (as defined in IC 6-1.1-12-43(a)(2)).
- (6) The following information:
  - (A) The name and:
    - (i) license or certificate number (under IC 25-34.1-3-8) of each licensed or certified real estate appraiser; or
    - (ii) license number (under IC 25-34.1) of each broker;
 who appraises the property that is the subject of the transaction.
  - (B) The name and registration number (under IC 25-34.1-11-10) of any appraisal management company that performs appraisal management services (as defined in IC 25-34.1-11-3) in connection with the transaction.
- (7) In the case of a transaction described in subsection (a)(1), the name of the creditor and, if the creditor is required to be licensed under IC 24-4.4, the license number of the creditor.
- (8) In the case of a transaction described in subsection (a)(1)(A)(i) or (a)(2), the name of the seller of the property that is the subject of the transaction.
- (9) In the case of a transaction described in subsection (a)(1)(A)(i), the following information:
  - (A) The name of the buyer of the property that is the subject of the transaction.
  - (B) The purchase price of the property that is the subject of the transaction.
  - (C) The loan amount of the mortgage transaction.
- (10) In the case of a transaction described in subsection (a)(2), the following information:
  - (A) The name of the buyer of the property that is the subject of the transaction.
  - (B) The purchase price of the property that is the subject of the transaction.
- (11) In the case of a transaction described in subsection (a)(1)(A)(ii), the following information:
  - (A) The name of the borrower in the mortgage transaction.
  - (B) The loan amount of the refinancing.

(12) The:

- (A) name; and
  - (B) license number, certificate number, registration number, or other code, as appropriate;
- of any other person that is involved in a transaction to which this section applies, as the department may prescribe.
- (c) The system established by the department under this section must include a form that:
    - (1) is uniformly accessible in an electronic format to the closing agent (as defined in IC 6-1.1-12-43(a)(2)) in the transaction; and
    - (2) allows the closing agent to do the following:
      - (A) Input information identifying the property that is the subject of the transaction by lot or parcel number, street address, or some other means of identification that the department determines:
        - (i) is sufficient to identify the property; and
        - (ii) is determinable by the closing agent.
      - (B) Subject to subsection (d) and to the extent determinable, input the applicable information described in subsection (b).
      - (C) Respond to the following questions, if applicable:
        - (i) "On what date did you receive the closing instructions from the creditor in the transaction?"
        - (ii) "On what date did the transaction close?"
      - (D) Submit the form electronically to a data base maintained by the department.
    - (d) Not later than the time of the closing **or the date of disbursement, whichever is later**, each person described in subsection (b), other than a person described in subsection (b)(8), (b)(9), (b)(10), or (b)(11), shall provide to the closing agent in the transaction the person's:
      - (1) legal name; and
      - (2) license number, certificate number, registration number, or NAIC code, as appropriate;
 to allow the closing agent to comply with subsection (c)(2)(B). In the case of a transaction described in subsection (a)(1), the person described in subsection (b)(7) shall, with the cooperation of any person involved in the transaction and described in subsection (b)(6)(A) or (b)(6)(B), provide the information described in subsection (b)(6). In the case of a transaction described in subsection (a)(1)(A)(ii), the person described in subsection (b)(7) shall also provide the information described in subsection (b)(11). A person described in subsection (b)(3)(B) who is involved in the transaction may provide the information required by this subsection for a person described in subsection (b)(3)(A) that serves as the broker company for the person described in subsection (b)(3)(B). The closing agent shall determine the information described in subsection (b)(8), (b)(9), and (b)(10) from the HUD-1 settlement statement, or in the case of a transaction described in subsection (a)(2), from the contract or any other document executed by the parties in connection with the transaction.
    - (e) **The closing agent in a transaction to which this section applies shall submit the information described in subsection (d) to the data base described in subsection (c)(2)(D) not later than twenty (20) business days after the date of closing or the date of disbursement, whichever is later.**
      - (f) Except for a person described in subsection (b)(8), (b)(9), (b)(10), or (b)(11), a person described in subsection (b) who fails to comply with subsection (d) **or (e)** is subject to a civil penalty of one hundred dollars (\$100) for each closing with respect to which the person fails to comply with subsection (d) **or (e)**. The penalty:
        - (1) may be enforced by the state agency that has administrative jurisdiction over the person in the same manner that the agency enforces the payment of fees or other penalties payable to the agency; and
        - (2) shall be paid into the home ownership education

account established by IC 5-20-1-27.

~~(g)~~ **(g)** Subject to subsection ~~(g)~~; **(h)**, the department shall make the information stored in the data base described in subsection (c)(2)(D) accessible to:

- (1) each entity described in IC 4-6-12-4; and
- (2) the homeowner protection unit established under IC 4-6-12-2.

~~(g)~~ **(h)** The department, a closing agent who submits a form under subsection (c), each entity described in IC 4-6-12-4, and the homeowner protection unit established under IC 4-6-12-2 shall exercise all necessary caution to avoid disclosure of any information:

- (1) concerning a person described in subsection (b), including the person's license, registration, or certificate number; and
- (2) contained in the data base described in subsection (c)(2)(D);

except to the extent required or authorized by state or federal law.

~~(h)~~ **(I)** The department may adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to implement this section. Rules adopted by the department under this subsection may establish procedures for the department to:

- (1) establish;
- (2) collect; and
- (3) change as necessary;

an administrative fee to cover the department's expenses in establishing and maintaining the electronic system required by this section.

~~(i)~~ **(j)** If the department adopts a rule under IC 4-22-2 to establish an administrative fee to cover the department's expenses in establishing and maintaining the electronic system required by this section, as allowed under subsection ~~(h)~~; **(I)**, the department may:

- (1) require the fee to be paid:
  - (A) to the closing agent responsible for inputting the information and submitting the form described in subsection (c)(2); and
  - (B) by the borrower, the seller, or the buyer in the transaction;
- (2) allow the closing agent described in subdivision (1)(A) to retain a part of the fee collected to cover the closing agent's costs in inputting the information and submitting the form described in subsection (c)(2); and
- (3) require the closing agent to pay the remainder of the fee collected to the department for deposit in the title insurance enforcement fund established by IC 27-7-3.6-1, for the department's use in establishing and maintaining the electronic system required by this section.

SECTION 18. IC 27-7-3.7-4, AS ADDED BY P.L.92-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. As used in this chapter, "good funds" means funds in any of the following forms:

- (1) United States currency.
- (2) Wired funds unconditionally held by and irrevocably credited to the escrow account of the closing agent.
- (3) Certified or cashier's checks that are drawn on an existing account at a:
  - (A) bank;
  - (B) savings and loan association;
  - (c) credit union; or
  - (D) savings bank;

chartered under the laws of a state or the United States.

(4) A check drawn on the trust account of a real estate broker licensed under IC 25-34.1, if the closing agent has reasonable and prudent grounds to believe that sufficient funds will be available for withdrawal from the account on which the check is drawn at the time of disbursement of funds from the closing agent's escrow account.

(5) A personal check not to exceed five hundred dollars

(\$500) per closing.

(6) A check issued by the state, the United States, or a political subdivision of the state or the United States.

(7) A check drawn on the escrow account of another closing agent, if the closing agent in the escrow transaction has reasonable and prudent grounds to believe that sufficient funds will be available for withdrawal from the account upon which the check is drawn at the time of disbursement of funds from the escrow account of the closing agent in the escrow transaction.

(8) A check issued by a farm credit service authorized under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.).

**(9) A check that is deposited and held in the escrow account of the closing agent for at least fourteen (14) days before the date of closing.**

SECTION 19. IC 27-7-3.7-7, AS ADDED BY P.L.92-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 7. **(a) A closing agent may not make disbursements from This section applies to an escrow account in connection with a real estate transaction unless any that contains funds that:**

- (1) are received from any single party to ~~the~~ a real estate transaction; and
- (2) in the aggregate are at least ten thousand dollars (\$10,000).

**are wired funds that are unconditionally held by and irrevocably credited to the escrow account of the closing agent.**

**(b) A closing agent may make disbursements from an escrow account described in subsection (a) in connection with a real estate transaction only if both of the following apply:**

- (1) All the funds described in subsection (a) are good funds.**
- (2) Any funds described in subsection (a) in excess of ten thousand dollars (\$10,000) are good funds described in section 4(2) of this chapter.**

SECTION 20. IC 27-8-15-14, AS AMENDED BY P.L.146-2015, SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 14. **(a) This subsection applies only with respect to grandfathered health plan coverage described in 45 CFR 147.140.** As used in this chapter, "small employer" means any person, firm, corporation, limited liability company, partnership, or association actively engaged in business who, on at least fifty percent (50%) of the working days of the employer during the preceding calendar year, employed at least two (2) but not more than fifty (50) eligible employees, the majority of whom work in Indiana. In determining the number of eligible employees, companies that are affiliated companies or that are eligible to file a combined tax return for purposes of state taxation are considered one (1) employer.

**(b) If the commissioner of insurance determines that it is necessary or appropriate, the department of insurance may adopt emergency rules under IC 4-22-2-37.1 to conform the definition set forth in subsection (a) with PPACA (as defined in IC 27-19-2-14). Notwithstanding IC 4-22-2-37.1(g), an emergency rule adopted under this subsection expires on the date occurring one (1) year after the date on which the emergency rule takes effect. This subsection expires January 1, 2017.**

**(c) This subsection applies only with respect to a health insurance plan that does not provide grandfathered health plan coverage described in 45 CFR 147.140. As used in this chapter, "small employer" means any person, firm, corporation, limited liability company, partnership, or association actively engaged in business who, on at least fifty percent (50%) of the working days of the employer during the preceding calendar year, employed at least one (1) but not more than fifty (50) employees. In determining the**



**number of employees, companies that are treated as a single employer under Section 414(b), 414(c), 414(m), or 414(o) of the Internal Revenue Code are treated as one (1) employer.**

SECTION 21. IC 27-8-29-15, AS AMENDED BY P.L.81-2012, SECTION 37, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 15. (a) An independent review organization shall:

- (1) for an expedited external grievance filed under section 13(a)(2)(A) of this chapter, within seventy-two (72) hours after the external grievance is filed; or
- (2) for a standard external grievance filed under section 13(a)(2)(B) of this chapter, within fifteen (15) business days after the external grievance is filed;

make a determination to uphold or reverse the insurer's appeal resolution under IC 27-8-28-17 based on information gathered from the covered individual or the covered individual's designee, the insurer, and the treating health care provider, and any additional information that the independent review organization considers necessary and appropriate.

(b) When making the determination under this section, the independent review organization shall apply:

- (1) standards of decision making that are based on objective clinical evidence; and
- (2) the terms of the covered individual's accident and sickness insurance policy.

(c) In an external grievance described in section 12(1)(D) of this chapter, the insurer bears the burden of proving that the insurer properly denied coverage for a condition, complication, service, or treatment because the condition, complication, service, or treatment is directly related to a condition for which coverage has been waived under IC 27-8-5-2.5(e) (expired July 1, 2007, and removed) or IC 27-8-5-19.2 (expired July 1, 2007, and repealed).

(d) The independent review organization shall notify the insurer and the covered individual of the determination made under this section:

- (1) for an expedited external grievance filed under section 13(a)(2)(A) of this chapter, within ~~twenty-four (24)~~ **seventy-two (72)** hours after ~~making the determination;~~ **external grievance is filed;** and
- (2) for a standard external grievance filed under section 13(a)(2)(B) of this chapter, within seventy-two (72) hours after making the determination.

SECTION 22. IC 27-9-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. As used in IC 27-9:

(a) "Ancillary state" means any state other than a domiciliary state.

(b) "Collateral", for purposes of IC 27-9-3-34.5, means cash, a letter of credit, a surety bond, or another form of security posted by an insured, a captive insurer, or reinsurer, to secure the insured's obligation to:

- (1) pay deductible claims or to reimburse the insurer for deductible claim payments under a large deductible policy; or
- (2) reimburse or pay the insurer as required for other secured obligations.

(c) "Commercially reasonable" means:

- (1) acting in good faith according to prevailing industry practices; and
- (2) making all reasonable efforts considering the facts and circumstances of a matter.

(~~h~~)(d) "Commissioner" refers to the insurance commissioner.

(~~e~~)(e) "Creditor" means a person having a claim, whether matured or unmatured, liquidated or unliquidated, secured or unsecured, absolute, fixed or contingent.

(f) "Deductible claim" means a claim under a large deductible policy that does not exceed the deductible. The term includes a claim for loss, defense, and (unless excluded) cost containment expense.

(~~d~~)(g) "Delinquency proceeding" means:

- (1) any proceeding instituted against an insurer for the purpose of liquidating, rehabilitating, reorganizing, or conserving that insurer; and
- (2) any summary proceeding under IC 27-9-2-1 or IC 27-9-2-2.

(~~e~~)(h) "Doing business" includes the following acts, whether effected by mail or otherwise:

- (1) The issuance or delivery of contracts of insurance to persons resident in Indiana.
- (2) The solicitation of applications for contracts or other negotiations preliminary to the execution of contracts.
- (3) The collection of premiums, membership fees, assessments, or other consideration for contracts.
- (4) The transaction of matters subsequent to execution of contracts and arising out of them.
- (5) Operating under a license or certificate of authority, as an insurer, issued by the insurance department.

(~~f~~)(i) "Domiciliary state" means the state in which an insurer is incorporated or organized, or, in the case of an alien insurer, its state of entry.

(~~g~~)(j) "Fair consideration" is given for property or obligation:

- (1) when in exchange for that property or obligation, as a fair equivalent for it, and in good faith, property is conveyed or services are provided or an obligation is incurred or an antecedent debt is satisfied; or
- (2) when that property or obligation is received in good faith to secure a present advance or antecedent debt in amount not disproportionately small as compared to the value of the property or obligation obtained.

(~~h~~)(k) "Foreign guaranty association" refers to a guaranty association similar to those listed in subsection (~~k~~)(n) established in any state.

(~~i~~)(l) "Formal delinquency hearing" means any liquidation or rehabilitation proceeding.

(~~j~~)(m) "General assets" means all property not specifically mortgaged, pledged, deposited, or otherwise encumbered for the security or benefit of specified persons or classes of persons. As to specifically encumbered property, "general assets" includes all such property or its proceeds in excess of the amount necessary to discharge the sum or sums secured by that property. Assets held in trust and on deposit for the security or benefit of all policyholders or all policyholders and creditors, in more than a single state, shall be treated as general assets.

(~~k~~)(n) "Guaranty association" includes an association established under:

- (1) IC 27-6-8, the insurance guaranty association law; or
- (2) IC 27-8-8, the life and health guaranty association law.

(~~l~~)(o) "Insolvency" or "insolvent" means:

- (1) for an insurer issuing only assessable fire insurance policies:

- (A) the inability of the insurer to pay any obligation within thirty (30) days after it becomes payable; or
- (B) if an assessment be made within thirty (30) days after the date an obligation becomes payable, the inability of the insurer to pay that obligation thirty (30) days following the date specified in the first assessment notice issued after the date of loss; and

- (2) for all other insurers when:

- (A) the insurer is unable to pay its obligations when they are due; or
- (B) the insurer's admitted assets do not exceed its liabilities, plus the greater of:

- (I) any capital and surplus required by law for its organization; or
- (ii) the total par or stated value of its authorized and issued capital stock.

For purposes of this subsection, "liabilities" include reserves required by law or by regulation.

~~(m)~~ (p) "Insurer" means any person who:

- (1) has done, purports to do, is doing, or is licensed to do insurance business; and
- (2) is subject to the authority of any insurance commissioner as to liquidation, rehabilitation, reorganization, supervision, or conservation.

For purposes of IC 27-9, other persons included under section 1 of this chapter shall be considered to be insurers.

~~(q)~~ **"Large deductible policy" means a combination of worker's compensation policies or endorsements, or both, issued to an insured and contracts or security agreements entered into between the insured and insurer in which the insured has agreed to pay directly, or reimburse the insurer for the insurer's payment of, the:**

- (1) initial part of a claim under the policy; or**
- (2) expenses related to a claim;**

**up to a specified dollar amount. The term includes a policy that contains, in addition to a per claim limit, an aggregate limit on the insured's liability for all deductible claims. The term also includes a policy with a deductible of at least fifty thousand dollars (\$50,000). The term does not include a policy, an endorsement, or an agreement under which the initial part of a claim is self-insured and the insurer is not obligated to pay any part of the self-insured retention. The term also does not include a policy that provides for retrospectively rated premium payments or a reinsurance agreement, except to the extent that a reinsurance agreement assumes, secures, or pays the insured's large deductible obligations.**

~~(r)~~ **"Other secured obligations", for purposes of IC 27-9-3-34.5, means obligations of an insured to an insurer other than obligations under a large deductible policy. The term includes obligations under a reinsurance agreement or another agreement that involves retrospective premium obligations the performance of which is secured by collateral that also secures an insured's obligations under a large deductible policy.**

~~(s)~~ (s) "Preferred claim" means any claim with respect to which the terms of IC 27-9 accord priority of payment from the general assets of the insurer.

~~(t)~~ (t) "Receiver" includes liquidator, rehabilitator, or conservator.

~~(u)~~ (u) "Reciprocal state" means any state other than Indiana in which:

- (1) in substance and effect IC 27-9-3-7(a), IC 27-9-4-3, IC 27-9-4-4, and IC 27-9-4-6 through IC 27-9-4-8 are in force;
- (2) provisions are in force requiring that the commissioner (or equivalent official) be the receiver of a delinquent insurer; and
- (3) some provision exists for the avoidance of fraudulent conveyances and preferential transfers.

~~(v)~~ (v) "Secured claim" means any claim secured by mortgage, trust deed, pledge, deposit as security, escrow, or otherwise, but not including special deposit claims or claims against general assets. The term also includes claims which have become liens upon specific assets by reason of judicial process.

~~(w)~~ (w) "Special deposit claim" means any claim secured by a deposit made under law for the security or benefit of a limited class or classes of persons, but not including any claim secured by general assets.

~~(x)~~ (x) "State" includes the District of Columbia and all other territories of the United States.

~~(y)~~ (y) "Transfer" includes all methods of disposing with any interest in property or with the possession of that property, or of fixing a lien upon property, or upon an interest in property, absolutely or conditionally, voluntarily, by or without judicial proceedings. The retention of a security title to property delivered to a debtor shall be considered a transfer made by the debtor.

SECTION 23. IC 27-9-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) The commissioner, as rehabilitator, may appoint one (1) or more special deputies, who shall have all the powers and responsibilities of the rehabilitator granted under this section. Also, the commissioner may employ such counsel, clerks, and assistants as he considers necessary.

(b) With the approval of the court, the compensation of the special deputy, counsel, clerks, and assistants and all expenses of taking possession of the insurer and of conducting the proceedings shall be:

- (1) fixed by the commissioner; and
- (2) paid out of the funds or assets of the insurer.

(c) The persons appointed under this section shall serve at the pleasure of the commissioner.

(d) In the event that the property of the insurer does not contain sufficient cash or liquid assets to defray the costs incurred, the commissioner may advance the costs so incurred out of any appropriation for the maintenance of the insurance department. Any amounts so advanced for expenses of administration shall be repaid to the commissioner for the use of the insurance department out of the first available money of the insurer.

(e) The rehabilitator may take such action as he considers necessary or appropriate to reform and revitalize the insurer. The commissioner:

- (1) has all the powers of the directors, officers, and managers, whose authority shall be suspended, except as they are redelegated by the rehabilitator;
- (2) may direct, manage, hire, and discharge employees subject to any contract rights they may have; and
- (3) may deal with the property and business of the insurer.

(f) The rehabilitator may prosecute any action that exists in behalf of the creditors, members, policyholders, or shareholders of the insurer against any director or officer of the insurer or any other person or entity.

~~(g)~~ **The rehabilitator may pursue insurance proceeds for the negligent, reckless, or fraudulent actions or omissions of the officers and directors of the insurer. An act or omission of an officer or director of the insurer during the eighteen (18) months immediately preceding the date on which an order of rehabilitation is entered may not be used to avoid coverage or other duties under a policy of insurance covering directors' and officers' liability.**

~~(h)~~ (h) If the rehabilitator determines that reorganization, consolidation, conversion, reinsurance, merger, or other transformation of the insurer is appropriate, he shall prepare a plan to effect those changes.

~~(i)~~ (I) Upon application of the rehabilitator for approval of the plan, and after such notice and hearings as the Marion County circuit court may prescribe, the court may either approve or disapprove the plan proposed, or may modify it and approve it as modified. Any plan approved under this section must be, in the judgment of the court, fair and equitable to all parties concerned. If the plan is approved, the rehabilitator shall carry out the plan.

~~(j)~~ (j) In the case of the life insurer, the plan proposed may include the imposition of liens upon the policies of company, if all rights of shareholders are first relinquished. A plan for a life insurer may also propose imposition of a moratorium upon loan and cash surrender rights under policies, for such period and to such an extent as may be necessary.

SECTION 24. IC 27-9-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 9. (a) The commissioner may petition for an order dissolving the corporate existence of a domestic insurer, or the United States branch of an alien insurer domiciled in Indiana, at the time the commissioner applies for a liquidation order. The Marion County circuit court shall order dissolution of the corporation upon petition by the commissioner upon or after the granting of

a liquidation order. If the dissolution has not previously been ordered, the dissolution shall be effected by operation of law upon the discharge of the liquidator if the insurer is insolvent but may be ordered by the court upon the discharge of the liquidator if the insurer is under a liquidation order for some other reason.

(b) The liquidator may do all acts necessary or appropriate for the accomplishment of the liquidation, including the following:

- (1) Appoint a special deputy to act for the liquidator under this article, and determine a reasonable compensation for that special deputy.
- (2) Employ employees and insurance producers, legal counsel, actuaries, accountants, appraisers, consultants, and other personnel as the liquidator considers necessary to assist in the liquidation.
- (3) Fix the reasonable compensation of employees and insurance producers, legal counsel, actuaries, accountants, appraisers, and consultants with the approval of the court.
- (4) Pay reasonable compensation to persons appointed and defray from the funds or assets of the insurer all expenses of taking possession of, conserving, conducting, liquidating, disposing of, or otherwise dealing with the business and property of the insurer.
- (5) Hold hearings, subpoena witnesses to compel their attendance, administer oaths, examine any person under oath, and compel any person to subscribe to the person's testimony after it has been correctly reduced to writing, and in connection with hearings and the examination of witnesses require the production of any books, papers, records, or other documents which the liquidator deems relevant to the inquiry.
- (6) Collect all debts and moneys due and claims belonging to the insurer, wherever located, and for this purpose:
  - (A) institute timely action in other jurisdictions, in order to forestall garnishment and attachment proceedings against those debts;
  - (B) do other acts necessary or expedient to collect, conserve, or protect its assets or property, including the power to sell, compound, compromise, or assign debts for purposes of collection upon terms and conditions as the liquidator considers best; and
  - (c) pursue any creditor's remedies available to enforce the liquidator's claims.
- (7) Conduct public and private sales of the property of the insurer.
- (8) Use assets of the estate of an insurer under a liquidation order to transfer policy obligations to a solvent assuming insurer, if the transfer can be arranged without prejudice to applicable priorities under section 40 of this chapter.
- (9) Acquire, hypothecate, encumber, lease, improve, sell, transfer, abandon, or otherwise dispose of or deal with, any property of the insurer at its market value or upon such terms and conditions as are fair and reasonable.
- (10) Borrow money on the security of the insurer's assets or without security and execute and deliver all documents necessary to that transaction for the purpose of facilitating the liquidation.
- (11) Enter into contracts that are necessary to carry out the order to liquidate, and affirm or disavow any contracts to which the insurer is a party.
- (12) Continue to prosecute and to institute in the name of the insurer, or in the liquidator's own name, all suits and other legal proceedings, in Indiana or elsewhere, and abandon the prosecution of claims the liquidator considers unprofitable to pursue further.
- (13) Prosecute any action that may exist in behalf of the creditors, members, policyholders, or shareholders of the insurer against any director or officer of the insurer, or any

other person.

**(14) Pursue insurance proceeds for the negligent, reckless, or fraudulent actions or omissions of the officers and directors of the insurer. An act or omission of an officer or director of the insurer during the eighteen (18) months immediately preceding the date on which petition for liquidation is filed may not be used to avoid coverage or other duties under a policy of insurance covering directors' and officers' liability.**

**(15) Remove all records and property of the insurer to the offices of the commissioner or to some other place as may be convenient for the purposes of efficient and orderly execution of the liquidation.**

**(16) Deposit in one (1) or more banks in Indiana sums required for meeting current administration expenses and dividend distributions.**

**(17) Invest all sums not currently needed, unless the court orders otherwise.**

**(18) File any necessary documents for record in the office of any recorder of deeds or record office in Indiana or elsewhere where property of the insurer is located.**

**(19) Assert all defenses available to the insurer as against third persons, including statutes of limitation, statutes of frauds, and the defense of usury.**

**(20) Exercise and enforce all the rights, remedies, and powers of any creditor, shareholder, policyholder, or member, including any power to avoid any transfer or lien that may be given by the general law and that is not included in sections 14 through 16 of this chapter.**

**(21) Intervene in any proceeding wherever instituted that might lead to the appointment of a receiver or trustee, and act as the receiver or trustee whenever the appointment is offered.**

**(22) Enter into agreements with any receiver or commissioner of any other state relating to the rehabilitation, liquidation, conservation, or dissolution of an insurer doing business in both states.**

**(23) Exercise all powers conferred upon receivers by the laws of Indiana not inconsistent with this article.**

**SECTION 25. IC 27-9-3-34.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 34.5. (a) This section:**

**(1) applies to a worker's compensation large deductible policy issued by an insurer that is subject to this chapter; and**

**(2) does not apply to first party claims or claims funded by the guaranty association net of the deductible.**

**(b) To the extent that the terms of a large deductible policy conflict with this section, the policy must be administered in accordance with this section.**

**(c) Unless otherwise agreed by the guaranty association, all deductible claims that are covered claims (as defined in IC 27-6-8-4), including claims funded by an insured before liquidation, must be referred to the guaranty association for processing. To the extent an insured funds or pays a deductible claim under an agreement with the guaranty association or otherwise, the insured's funding or payment of the deductible claim extinguishes any obligation of the receiver or the guaranty association to pay the claim. A charge may not be made against the receiver or the guaranty association on the basis of an insured's funding or payment of a deductible claim.**

**(d) The following apply when the guaranty association pays a deductible claim:**

**(1) If the guaranty association pays a deductible claim for which the insurer would have been entitled to reimbursement from the insured, the guaranty**

association is entitled to the full amount of the reimbursement and available collateral to the extent necessary to reimburse the guaranty association. Reimbursements paid to the guaranty association under this subsection are not early access payments under section 32 of this chapter or distributions under section 40 of this chapter.

(2) If the guaranty association pays:

(A) a deductible claim that is not reimbursed:

(i) from collateral; or

(ii) by payment by the insured; or

(B) an incurred expense in connection with a large deductible policy that is not reimbursed; the guaranty association is entitled to assert a claim for the payments in the delinquency proceeding.

(e) Subsection (d) does not limit the receiver's or guaranty association's rights under other applicable law to obtain reimbursement from an insured for claim payments made by the guaranty association:

(1) under the policies of the insurer; or

(2) for the guaranty association's related expenses; including payments described in IC 27-6-8-11.5 or under another state's similar law.

(f) A receiver shall do the following:

(1) Upon receipt by the receiver of notice from the guaranty association of reimbursable payments for which the guaranty association has not been reimbursed, bill an insured for reimbursement of deductible claims:

(A) paid by the insurer before the commencement of delinquency proceedings;

(B) paid by the guaranty association; or

(c) paid or allowed by the receiver.

(2) If an insured that is billed under subdivision (1) does not make payment within:

(A) the time specified in the large deductible policy; or

(B) if no time is specified in the large deductible policy, sixty (60) days after the date of billing; the receiver shall pursue all commercially reasonable actions to collect the payment.

(g) The following do not relieve an insured from the insured's reimbursement obligation under a large deductible policy and this chapter:

(1) An insurer's insolvency.

(2) An insurer's inability to perform the insurer's obligations.

(3) An allegation of improper processing or payment of a deductible claim, except for gross negligence, by the:

(A) insurer;

(B) receiver; or

(c) guaranty association.

(h) With respect to collateral, the following apply:

(1) A receiver shall use available collateral to secure:

(A) an insured's obligation to fund or reimburse deductible claims; and

(B) other secured obligations or payment obligations.

The guaranty association is entitled to collateral to the extent needed to reimburse the guaranty association for the guaranty association's payment of a deductible claim. A distribution to the guaranty association under this subdivision is not an early access payment under section 32 of this chapter or a distribution under section 40 of this chapter.

(2) A receiver shall pay all claims against collateral in the order received, and a claim of the receiver, including claims described in this subsection, does not supersede any other claim against the collateral as described in subdivision (4).

(3) A receiver shall draw down collateral to the extent necessary if the insured fails to do any of the following:

(A) Perform the insured's funding or payment obligations under the large deductible policy.

(B) Pay a deductible claim reimbursement within the time specified in subsection (f)(2).

(c) Pay amounts due to the insurer estate for pre-liquidation obligations.

(D) Fund any other secured obligation within:

(i) the time specified in the large deductible policy; or

(ii) another reasonable period.

(E) Pay expenses within the time specified in subsection (f)(2).

(4) A receiver shall pay all claims that are validly asserted against the collateral in the order in which the claims are received by the receiver.

(5) A receiver shall return to an insured any excess collateral, as determined by the receiver after a periodic review of claims paid, outstanding case reserves, and a factor for incurred but not reported claims.

SECTION 26. IC 27-13-10.1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) An independent review organization shall:

(1) for an expedited appeal filed under section 2(a)(2)(A) of this chapter, within seventy-two (72) hours after the appeal is filed; or

(2) for a standard appeal filed under section 2(a)(2)(B) of this chapter, within fifteen (15) business days after the appeal is filed;

make a determination to uphold or reverse the health maintenance organization's grievance resolution under IC 27-13-10-8 based on information gathered from the enrollee or the enrollee's designee, the health maintenance organization, and the treating physician, and any additional information that the independent review organization considers necessary and appropriate.

(b) When making the determination under this section, the independent review organization shall apply:

(1) standards of decision making that are based on objective clinical evidence; and

(2) the terms of the enrollee's benefit contract.

(c) The independent review organization shall notify the health maintenance organization and the enrollee of the determination made under this section:

(1) for an expedited appeal filed under section 2(a)(2)(A) of this chapter, within ~~twenty-four (24)~~ **seventy-two (72)** hours after ~~making the determination;~~ **appeal is filed;** or

(2) for a standard appeal filed under section 2(a)(2)(B) of this chapter, within seventy-two (72) hours after making the determination.

SECTION 27. IC 27-15-14-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) If a domestic mutual insurance company:

(1) is insolvent, as defined in ~~IC 27-9-1-2(f);~~ **IC 27-9-1-2(o);**

(2) does not meet the minimum surplus requirements of IC 27-1-6-15; or

(3) in the judgment of the commissioner, is in a hazardous financial condition;

its board of directors may adopt, and the commissioner may approve, any plan of conversion and amendment to the articles of incorporation that, on the effective date of the conversion, would provide for the former mutual to have paid-in capital stock and surplus in an amount not less than the minimum requirements of IC 27-1-6-14(c) and IC 27-1-6-14(e) and an RBC level greater than its company action RBC level.

(b) The commissioner may allow waivers or material modifications of the requirement to give any notices to members

and policyholders, to obtain member approval of the proposed plan of conversion or amendment to the articles of incorporation of the converting mutual, or to distribute consideration to members if the value of a converting mutual described in subsection (a) does not in the judgment of the commissioner warrant any such notices, approvals, or distribution under the circumstances, including the expenses involved in a distribution of consideration.

SECTION 28. IC 35-52-27-9.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 9.3. IC 27-1-23-8.1 defines a crime concerning the department of insurance.**

SECTION 29. [EFFECTIVE JULY 1, 2016] **(a) The legislative council is urged to assign to an appropriate interim study committee for study during the 2016 legislative interim the subject of whether a public-private agreement should contain a requirement for performance bonds for design and construction and payment bonds for labor and materials furnished for use in construction of the public-private project.**

**(b) This SECTION expires December 31, 2016.**

SECTION 30. **An emergency is declared for this act.**

(Reference is to EHB 1136 as reprinted March 1, 2016.)

LEHMAN	HOLDMAN
HALE	MRVAN
House Conferees	Senate Conferees

Roll Call 410: yeas 95, nays 0. Report adopted.

Representatives T. Brown and Pryor, who had been excused, are now present.

#### CONFERENCE COMMITTEE REPORT ESB 177-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill 177 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 7.1-3-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 2. (a) As used in this section, "proprietor of a package liquor store" means the person that:**

**(1) holds the financial investment in; and**

**(2) exercises the financial and operational oversight of; a package liquor store.**

**(~~a~~) (b) The commission may issue a beer dealer's permit only to an applicant who is the proprietor of a drug store, grocery store, or package liquor store.**

**(~~b~~) (c) Subject to subsection (d), the commission may issue a beer dealer's permit to an applicant that is a foreign corporation if:**

**(1) the applicant is duly admitted to do business in Indiana;**

**(2) the sale of beer is within the applicant's corporate powers; and**

**(3) the applicant is otherwise qualified under this title.**

**(d) Except as provided under IC 7.1-3-21-5.6, the commission may issue a beer dealer's permit under subsection (c) for the premises of a package liquor store only if the proprietor of the package liquor store satisfies the Indiana resident ownership requirements described in IC 7.1-3-21-5(b), IC 7.1-3-21-5.2(b), or IC 7.1-3-21-5.4(b).**

**(~~c~~) (e) The commission shall not issue a beer dealer's permit to a person who is disqualified under the special disqualifications. However, the special disqualification listed in IC 7.1-3-4-2(a)(13) shall not apply to an applicant for a beer dealer's permit.**

**(~~d~~) (f) Notwithstanding subsection (~~a~~); (b), the commission may renew a beer dealer's permit for an applicant who:**

**(1) held a permit before July 1, 1997; and**

**(2) is the proprietor of a confectionery or a store that:**

**(A) is not a drug store, grocery store, or package liquor store;**

**(B) is in good repute; and**

**(C) in the judgment of the commission, deals in merchandise that is not incompatible with the sale of beer.**

SECTION 2. IC 7.1-3-20-17.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 17.5. (a) As used in this section, "banquet or gathering space" means a room or space in which social events are hosted that is located on the licensed premises of a hotel or restaurant.**

**(b) As used in this section, "social event" means a party, banquet, wedding or other reception, or any other social event.**

**(c) Subject to subsection (d), the holder of a retailer's permit issued for the premises of a hotel or restaurant that has a banquet or gathering space without a permanent bar over which alcoholic beverages may be sold or dispensed may temporarily amend the floor plans of the licensed premises to use the banquet or gathering space to sell or dispense alcoholic beverages from a temporary bar or service bar in the banquet or gathering space.**

**(d) The holder of a retailer's permit shall notify and submit the amended floor plans described in subsection (c) to the commission not later than twenty-four (24) hours before the date the holder intends to sell or dispense alcoholic beverages from a temporary bar or service bar.**

**(e) A holder of a retailer's permit who intends to sell or dispense alcoholic beverages from a temporary bar or service bar as described in this section remains subject to laws and rules requiring that the area in which minors are allowed be separate from the room or area in which the bar is located.**

SECTION 3. IC 7.1-3-20-18.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 18.7. (a) This section applies to the premises of a hotel that is owned by an accredited college or university (as described in IC 24-4-11-2).**

**(b) Subject to subsection (c), the holder of a retailer permit that is issued for the premises of a hotel may sell or dispense, for on premise consumption only, alcoholic beverages, for which the permittee holds the appropriate permit, from a:**

**(1) nonpermanent bar located on an outside patio or terrace; or**

**(2) service window located on the licensed premises that opens to an outside patio or terrace;**

**that is contiguous to the main building of the licensed premises of the hotel.**

**(c) The holder of a retailer permit that is issued for the premises of a hotel may sell or dispense alcoholic beverages as provided under subsection (b) only if all the following conditions are met:**

**(1) The patio or terrace area described in subsection (b) is:**

**(A) part of the licensed premises; and**

**(B) clearly delineated and completely enclosed on all sides by a fence, rail, wall, or hedge that is at least four (4) feet in height.**

(2) Access to the nonpermanent bar or service window is limited by a barrier that reasonably deters free access by minors to the bar or window.

(3) A conspicuous sign is posted by the barrier described in subdivision (2) that states that minors are not allowed to cross the barrier to enter the area near the nonpermanent bar or service window.

SECTION 4. IC 7.1-3-20-27 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 27. (a) This section applies to the premises of a restaurant.

(b) Subject to subsection (c), the holder of a retailer permit that is issued for the premises of a restaurant may sell or dispense, for on premise consumption only, alcoholic beverages, for which the permittee holds the appropriate permit, from a service window located on the licensed premises that opens to an outside patio or terrace that is contiguous to the main building of the licensed premises of the restaurant.

(c) The holder of a retailer permit that is issued for the premises of a restaurant may sell or dispense alcoholic beverages as provided under subsection (b) only if all the following conditions are met:

(1) The patio or terrace area described in subsection (b) is:

- (A) part of the licensed premises; and
- (B) clearly delineated and completely enclosed on all sides by a barrier that is at least eighteen (18) inches in height.

(2) Access to the service window is limited by a barrier that reasonably deters free access by minors to the window.

(3) A conspicuous sign is posted by the barrier described in subdivision (2) that states that minors are not allowed to cross the barrier to enter the area near the service window.

SECTION 5. IC 7.1-3-21-5, AS AMENDED BY P.L.107-2015, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The commission shall not issue an alcoholic beverage retailer's or dealer's permit of any type to a corporation unless sixty percent (60%) of the outstanding common stock is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) The commission shall not issue an alcoholic beverage dealer's permit of any type for the premises of a package liquor store to a corporation unless:

- (1) sixty percent (60%) of the outstanding stock in the corporation is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years; and
- (2) the stock described in subdivision (1) constitutes a controlling interest in the corporation.

(b) (c) Each officer and stockholder of a corporation shall possess all other qualifications required of an individual applicant for that particular type of permit.

SECTION 6. IC 7.1-3-21-5.2, AS AMENDED BY P.L.107-2015, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.2. (a) The commission shall not issue an alcoholic beverage retailer's or dealer's permit of any type to a limited partnership unless at least sixty percent (60%) of the partnership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) The commission shall not issue an alcoholic beverage dealer's permit of any type for the premises of a package liquor store to a limited partnership unless:

- (1) at least sixty percent (60%) of the partnership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years; and

(2) the partnership interest described in subdivision (1) constitutes a controlling interest in the limited partnership.

(b) (c) Each general partner and limited partner of a limited partnership must possess all other qualifications required of an individual applicant for that particular type of permit.

SECTION 7. IC 7.1-3-21-5.4, AS AMENDED BY P.L.107-2015, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.4. (a) The commission shall not issue an alcoholic beverage retailer's or dealer's permit of any type to a limited liability company unless at least sixty percent (60%) of the membership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) The commission shall not issue an alcoholic beverage dealer's permit of any type for the premises of a package liquor store to a limited liability company unless:

- (1) at least sixty percent (60%) of the outstanding membership interest in the limited liability company is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years; and
- (2) the membership interest described in subdivision (1) constitutes a controlling interest in the limited partnership.

(b) (c) Each manager and member of a limited liability company must possess all other qualifications required of an individual applicant for that particular type of permit.

SECTION 8. IC 7.1-3-21-5.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.6. (a) Notwithstanding section 5, 5.2, or 5.4 of this chapter, the commission may renew or transfer ownership of a dealer's permit of any type for the holder of a dealer's permit who:

- (1) held the permit for the premises of a package liquor store before January 1, 2016; and
- (2) does not qualify for the permit under section 5(b), 5.2(b), or 5.4(b) of this chapter.

(b) The commission may transfer ownership of a dealer's permit under this section only to an applicant who satisfies the Indiana resident ownership requirements under this chapter.

SECTION 9. IC 7.1-5-3-4, AS AMENDED BY P.L.79-2015, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) This section does not apply to the following:

- (1) The necessary refilling of a container by a person holding a permit that authorizes the person to manufacture, rectify, or bottle liquor.
- (2) An establishment where alcoholic beverages are sold that is owned, in whole or part, by an entity that holds a brewer's permit issued under IC 7.1-3-2-2(b) for a brewery described in IC 7.1-3-2-7(5).
- (3) An establishment where alcoholic beverages are sold that is owned, in whole or part, by a statewide trade organization consisting of members, each of whom holds a brewer's permit issued under IC 7.1-3-2-2(b).
- (4) The refilling of a bottle or container or possession of a refilled bottle or container if the refilling or possession is not for resale or another commercial purpose.
- (5) The refilling of a bottle or container with hard cider in an establishment where alcoholic beverages are sold that is owned, in whole or in part, by an entity that manufactures hard cider under the appropriate permit issued under this title.
- (6) The refilling of a bottle or container with a product from a farm winery in an establishment in which alcoholic beverages are sold that is owned, in whole or in part, by the holder of a farm winery permit.

(b) Except as provided in section 6 of this chapter, it is unlawful for a person to:

(1) refill a bottle or container, in whole or in part, with an alcoholic beverage; or

(2) knowingly possess a bottle or container that has been refilled, in whole or in part, with an alcoholic beverage; after the container of liquor has been emptied in whole or in part.

(c) A person who knowingly or intentionally violates subsection (a) or (b) commits a Class B misdemeanor.

**SECTION 10. An emergency is declared for this act.**

(Reference is to ESB 177 as printed February 26, 2016.)

MESSMER	LEHMAN
ARNOLD	GIAQUINTA
Senate Conferees	House Conferees

Roll Call 411: yeas 92, nays 5. Report adopted.

**CONFERENCE COMMITTEE REPORT**

**ESB 364-1**

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill 364 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

Page 1, delete lines 16 through 18.

Page 2, delete lines 1 through 33.

Renumber all SECTIONS consecutively.

(Reference is to ESB 364 as reprinted February 19, 2016.)

BASSLER	BACON
MRVAN	BAUER
Senate Conferees	House Conferees

Roll Call 412: yeas 96, nays 1. Report adopted.

Representative Carbaugh, who had been excused, is now present.

**MOTIONS TO CONCUR  
IN SENATE AMENDMENTS**

**HOUSE MOTION**

Mr. Speaker: I move that the House concur in the Senate amendments to Engrossed House Bill 1337.

COX

**HOUSE MOTION**

Mr. Speaker: Pursuant to House Rule 81, I move that the question on Engrossed House Bill 1337 be divided so that separate votes are taken on the original subject matter as passed by the House and the entirely new subject matters added by the Senate.

PELATH

The Speaker ruled that under Rule 81, only second reading amendments are subject to a division of the question. The motion was out of order.

**APPEAL OF THE RULING OF THE CHAIR**

Mr. Speaker: We hereby appeal the ruling of the Chair that the motion to concur on Engrossed House Bill 1337 can not be subject to a division of the question pursuant to House Rule 81.

PELATH  
PIERCE

The Speaker yielded the gavel to the Speaker Pro Tempore, Representative Friend.

The question was, Shall the ruling of the Chair be sustained? Roll Call 413: yeas 69, nays 29. The ruling of the Chair was

sustained.

The Speaker Pro Tempore yielded the gavel to the Speaker.

Representative Moed, who had been excused, is now present.

The question then was on the motion of Representative Cox. Roll Call 414: yeas 60, nays 40. Motion prevailed.

**CONFEREES AND ADVISORS APPOINTED**

The Speaker announced the following changes in appointment of Representatives as conferees and advisors:

EHB 1087 Conferees: Steuerwald replacing Stemler

EHB 1395 Conferees: DeVon replacing Austin

ESB 165 Conferees: Kirchhofer replacing C. Brown

A meeting of the Committee on Rules and Legislative Procedures was announced.

The House recessed until the fall of the gavel.

**RECESS**

The House reconvened at 7:05 p.m. with the Speaker in the Chair.

The Speaker ordered the roll of the House to be called to determine the presence of a quorum. Roll Call 415: 67 present. The Speaker declared a quorum present.

Representatives Braun, C. Brown, Cherry and Wolkins are excused.

**ACTION ON RULES SUSPENSIONS AND  
CONFERENCE COMMITTEE REPORTS**

**COMMITTEE REPORT**

Mr. Speaker: Your Committee on Rules and Legislative Procedures has had under consideration House Rule 161.2 and recommends that it be suspended so that the following conference committee reports are eligible for consideration after March 3, 2016; we further recommend that House Rule 163.3 be suspended so that the following conference committee reports may be laid over on the members' desks for 2 hours, so that they may be eligible to be placed before the House for action: Engrossed House Bills 1298-1-1, 1271-1, 1019-1, 1179-1, 1005-1, 1272-1, 1156-1, 1161-1 and 1372-1 and Engrossed Senate Bills 295-1, 20-1, 93-1, 80-1, 279-1, 213-1 and 234-1

TORR, Chair

Report adopted.

**HOUSE MOTION**

Mr. Speaker: I move that House Rule 161.2 be suspended so that the following conference committee reports are eligible for consideration after March 3, 2016, and that House Rule 163.3 be suspended so that the following conference committee reports may be laid over on the members' desks for 2 hours, so that they may be eligible to be placed before the House for action: Engrossed House Bills 1298-1-1, 1271-1, 1019-1, 1179-1, 1005-1, 1272-1, 1156-1, 1161-1 and 1372-1 and Engrossed Senate Bills 295-1, 20-1, 93-1, 80-1, 279-1, 213-1 and 234-1.

TORR, Chair

Motion prevailed.



CONFERENCE COMMITTEE REPORT  
EHB 1005-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1005 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 20-20-42.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:

**Chapter 42.2. Career Pathways and Mentorship Program**

**Sec. 1.** As used in this chapter, "career pathway teacher" means a qualified teacher participating in a school corporation's program.

**Sec. 2.** As used in this chapter, "program" refers to the career pathways and mentorship program established by section 4 of this chapter.

**Sec. 3.** As used in this chapter, "qualified teacher" refers to a teacher who:

- (1) is rated as effective or highly effective in the teacher's most recent annual performance evaluation in a plan established under IC 20-28-11.5-4; and
- (2) works in the classroom providing instruction and who is not instructional support personnel.

**Sec. 4. (a)** The career pathways and mentorship program is established. The program is established to provide for, in addition to base salary and other applicable supplements, differentiated pay for qualified teachers based on a qualified teacher's demonstrated effectiveness and additional responsibilities in advanced roles. Differentiated pay made in accordance with a program approved by the state board under this chapter may not be collectively bargained. However, a discussion of the plan used as a basis for the program must be held under IC 20-29-6-7.

**(b)** The state board, in consultation with, and with assistance as necessary from, the department, shall administer the program.

**Sec. 5. (a)** A governing body may apply to the state board to participate in the program by submitting to the state board in a manner prescribed by the state board a proposed plan approved by the governing body that is developed by two (2) or more teachers and:

- (1) a principal;
- (2) a superintendent; or
- (3) any combination of individuals described in either subdivision (1) or (2);

who are currently employed by the school corporation.

**(b)** The proposed plan must focus on the leadership capacity and commitment of the school corporation to develop career pathways and mentoring. In considering whether to approve a plan submitted, the state board, in consultation with, and with assistance as necessary from, the department, shall consider the following:

- (1) Whether the plan increases salaries of career pathway teachers.
- (2) Whether the plan improves overall teacher job development, leadership, or leadership design.
- (3) Whether the plan improves the quality of classroom instruction.
- (4) Whether the governing body's compensation plan works in conjunction with the plan's proposed program to improve the quality of classroom instruction.
- (5) Whether the plan increases the attractiveness of

teaching.

**(6)** Whether the plan offers structured induction and mentorship for newer teachers.

**(7)** Whether the plan encourages the recognition, effectiveness, and retention of high quality teachers, particularly in using high quality teachers in roles that maximize a high quality teacher's instructional influence and expertise with:

- (A)** mentored teachers;
- (B)** a team of teachers; or
- (c)** students.

**(8)** Whether the plan is financially sustainable.

**(c)** A career pathways plan submitted under subsection **(a)** must enable qualified teachers to progress within their careers and become career pathway teachers by doing any of the following:

- (1)** Being assigned additional duties that include accountability for student growth across a team of teachers.
- (2)** Being assigned additional duties in developing curricula and instructional training across a team of teachers.
- (3)** Being assigned additional duties that include accountability as the teacher of record for more students.
- (4)** Being assigned additional duties in mentoring newer teachers.

**(d)** A career pathways plan submitted under subsection **(a)** must ensure that a career pathway teacher is afforded protected time for teaching.

**(e)** If a governing body includes a mentoring program in its proposed plan, the plan must focus on establishing a structured induction and mentorship program for newer teachers. If a structured induction and mentorship program is established under this chapter, a mentored teacher may not be paid less than a teacher with the same years of experience in accordance with the school corporation's salary schedule. Except as otherwise provided in this chapter, a mentored teacher has the same rights under IC 20-28 and IC 20-29 as a teacher who does not participate in a program established under this chapter.

**Sec. 6.** If a school corporation establishes a structured induction and mentorship program under this chapter, the school corporation may enter into an agreement with a postsecondary educational institution to authorize the postsecondary educational institution to collaborate in the consideration and approval of a mentor to a newer teacher who attended the postsecondary educational institution.

**Sec. 7.** A plan submitted under section 5 of this chapter must include a means for the school corporation and the state board, in consultation with, and with assistance as necessary from, the department, to measure the success of a program. The plan must include measures that demonstrate the program's improvement with regard to:

- (1)** student growth;
- (2)** teacher retention;
- (3)** time management; and
- (4)** leadership or mentorship program design.

**Sec. 8.** The state board, in consultation with, and with assistance as necessary from, the department, may require periodic reports from a school corporation to monitor the success of a program using the measures included in a plan under section 5 of this chapter.

**Sec. 9.** The state board shall adopt rules under IC 4-22-2 to implement this chapter.

SECTION 2. IC 20-20-43 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:

**Chapter 43. System for Teacher and Student Advancement Grant Fund and Program**

**Sec. 1.** As used in this chapter, "fund" refers to the

system for teacher and student advancement grant fund established by section 3 of this chapter.

Sec. 2. As used in this chapter, "program" refers to a teacher performance model program described in section 4 of this chapter.

Sec. 3. (a) The system for teacher and student advancement grant fund is established for the purpose of providing grants to school corporations to implement programs described in section 4 of this chapter.

(b) The fund consists of the following:

(1) Appropriations made by the general assembly.

(2) Gifts, grants, devises, or bequests made to the commission for higher education to achieve the purposes of the fund.

(c) The state board, in consultation with the department, shall administer the fund.

(d) The expenses of administering the fund shall be paid from money in the fund.

(e) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(f) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 4. (a) After June 30, 2017, a school corporation may receive a grant to implement the System for Teacher and Student Advancement (TAP) teacher performance model program or a teacher performance model program that includes the implementation of all the following elements:

(1) Multiple career paths.

(2) Ongoing applied professional growth.

(3) Instruction focused accountability.

(4) Performance based compensation.

(b) To receive a grant, a school corporation shall apply for the grant in a manner prescribed by the state board in consultation with the department. The state board shall establish eligibility requirements. The amount of the grant may not exceed the costs incurred by the school corporation to implement the program. A school corporation may receive a matching grant from a corporation, foundation, or any other entity in addition to a grant awarded under this chapter.

SECTION 3. IC 20-26-2-1.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1.3. "Expanded child protection index check" means:

(1) an inquiry with the department of child services as to whether an individual has been the subject of a substantiated report of child abuse or neglect and is listed in the child protection index established under IC 31-33-26-2;

(2) an inquiry with the child welfare agency of each state in which the individual has resided since the individual became eighteen (18) years of age as to whether there are any substantiated reports that the individual has committed child abuse or neglect; and

(3) for a certificated employee, an inquiry with the department of education or other entity that may issue a license to teach of each state in which the individual has resided since the individual became eighteen (18) years of age as to whether the individual has ever had a teaching license suspended or revoked.

SECTION 4. IC 20-26-5-10, AS AMENDED BY P.L.121-2009, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 10. (a) This section applies to a:

(1) school corporation;

(2) charter school; or

(3) a nonpublic school that employs one (1) or more employees.

(a) (b) A school corporation, including a charter school and an ~~accredited~~ a nonpublic school, shall adopt a policy concerning criminal history information for individuals who:

(1) apply for:

(A) employment with the school corporation, **charter school, or nonpublic school**; or

(B) employment with an entity with which the school corporation, **charter school, or nonpublic school** contracts for services;

(2) seek to enter into a contract to provide services to the school corporation, **charter school, or nonpublic school**; or

(3) are employed by an entity that seeks to enter into a contract to provide services to the school corporation, **charter school, or nonpublic school**;

if the individuals are likely to have direct, ongoing contact with children within the scope of the individuals' employment.

(b) (c) A school corporation, including a charter school and an ~~accredited~~ a nonpublic school, shall administer a policy adopted under this section uniformly for all individuals to whom the policy applies. A policy adopted under this section must require that the school corporation, charter school, or ~~accredited~~ nonpublic school conduct an expanded criminal history check **and an expanded child protection index check** concerning each applicant for noncertificated employment or certificated employment before or not later than three (3) months after the applicant's employment by the school corporation, charter school, or ~~accredited~~ nonpublic school. Each individual hired for noncertificated employment or certificated employment may be required to provide a written consent for the school corporation, charter school, or ~~accredited~~ nonpublic school to request an expanded criminal history check **and an expanded child protection index check** concerning the individual before or not later than three (3) months after the individual's employment by the school corporation **or school**. The school corporation, charter school, or ~~accredited~~ nonpublic school may require the individual to provide a set of fingerprints and pay any fees required for the expanded criminal history check **and expanded child protection index check**. Each applicant for noncertificated employment or certificated employment may be required at the time the individual applies to answer questions concerning the individual's expanded criminal history check **and expanded child protection index check**. The failure to answer honestly questions asked under this subsection is grounds for termination of the employee's employment. The applicant is responsible for all costs associated with obtaining the expanded criminal history check **and expanded child protection index check**. An applicant may not be required by a school corporation, charter school, or ~~accredited~~ nonpublic school to obtain an expanded criminal history check **or an expanded child protection index check** more than one (1) time during a five (5) year period.

(c) (d) Information obtained under this section must be used in accordance with law.

SECTION 5. IC 20-26-5-11, AS AMENDED BY P.L.233-2015, SECTION 100, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 11. (a) This section applies to:

(1) a school corporation;

(2) a charter school; and

(3) an entity:

(A) with which the school corporation contracts for services; and

(B) that has employees who are likely to have direct, ongoing contact with children within the scope of the employees' employment.

(b) A school corporation, charter school, or entity may use information obtained under section 10 of this chapter concerning an individual's conviction for one (1) of the following offenses as grounds to not employ or contract with the

individual:

- (1) Murder (IC 35-42-1-1).
- (2) Causing suicide (IC 35-42-1-2).
- (3) Assisting suicide (IC 35-42-1-2.5).
- (4) Voluntary manslaughter (IC 35-42-1-3).
- (5) Reckless homicide (IC 35-42-1-5).
- (6) Battery (IC 35-42-2-1) unless ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later.
- (7) Aggravated battery (IC 35-42-2-1.5).
- (8) Kidnapping (IC 35-42-3-2).
- (9) Criminal confinement (IC 35-42-3-3).
- (10) A sex offense under IC 35-42-4.
- (11) Carjacking (IC 35-42-5-2) (repealed).
- (12) Arson (IC 35-43-1-1), unless ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later.
- (13) Incest (IC 35-46-1-3).
- (14) Neglect of a dependent as a Class B felony (for a crime committed before July 1, 2014) or a Level 1 felony or Level 3 felony (for a crime committed after June 30, 2014) (IC 35-46-1-4(b)(2)), unless ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later.
- (15) Child selling (IC 35-46-1-4(d)).
- (16) Contributing to the delinquency of a minor (IC 35-46-1-8), unless ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later.
- (17) An offense involving a weapon under IC 35-47 or IC 35-47.5, unless ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later.
- (18) An offense relating to controlled substances under IC 35-48-4, unless ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later.
- (19) An offense relating to material or a performance that is harmful to minors or obscene under IC 35-49-3, unless ten (10) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later.
- (20) An offense relating to operating a motor vehicle while intoxicated under IC 9-30-5, unless five (5) years have elapsed from the date the individual was discharged from probation, imprisonment, or parole, whichever is later.
- (21) An offense that is substantially equivalent to any of the offenses listed in this subsection in which the judgment of conviction was entered under the law of any other jurisdiction.

(c) An individual employed by a school corporation, charter school, or an entity described in subsection (a) shall notify the governing body of the school corporation, if during the course of the individual's employment, the individual is convicted in Indiana or another jurisdiction of an offense described in subsection (b).

**(d) A school corporation, charter school, or entity may use information obtained under section 10 of this chapter concerning an individual being the subject of a substantiated report of child abuse or neglect as grounds to not employ or contract with the individual.**

**(e) An individual employed by a school corporation, charter school, or entity described in subsection (a) shall notify the governing body of the school corporation, if during the course of the individual's employment, the individual is the subject of a substantiated report of child abuse or neglect.**

SECTION 6. IC 20-26-5-11.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS

FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 11.5. (a) As used in this section, "school" includes:**

- (1) a charter school, as defined in IC 20-24-1-4;**
- (2) a nonpublic school, as defined in IC 20-18-2-12, that employs one (1) or more employees;**
- (3) a public school, as defined in IC 20-18-2-15(1); and**
- (4) an entity in another state that carries out a function similar to an entity described in subdivisions (1) through (3).**

**(b) Notwithstanding any confidentiality agreement entered into by a school and an employee of the school, a school that receives a request for an employment reference, from another school, for a current or former employee, shall disclose to the requesting school any incident known by the school in which the employee committed an act resulting in a substantiated report of abuse or neglect under IC 31-6 (before its repeal) or IC 31-33.**

**(c) A school may not disclose information under this section that:**

- (1) identifies a student; or**
- (2) is confidential student information under the federal Family Education Rights and Privacy Act (20 U.S.C. 1232g et seq.).**

**(d) A confidentiality agreement entered into or amended after June 30, 2016, by a school and an employee is not enforceable against the school if the employee committed an act resulting in a substantiated report of abuse or neglect under IC 31-6 (before its repeal) or IC 31-33.**

SECTION 7. IC 20-28-5-3, AS AMENDED BY P.L. 6-2012, SECTION 135, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 3. (a)** The department shall designate the grade point average required for each type of license.

**(b)** The department shall determine details of licensing not provided in this chapter, including requirements regarding the following:

- (1) The conversion of one (1) type of license into another.
- (2) The accreditation of teacher education schools and departments.
- (3) The exchange and renewal of licenses.
- (4) The endorsement of another state's license.
- (5) The acceptance of credentials from teacher education institutions of another state.
- (6) The academic and professional preparation for each type of license.
- (7) The granting of permission to teach a high school subject area related to the subject area for which the teacher holds a license.
- (8) The issuance of licenses on credentials.
- (9) The type of license required for each school position.
- (10) The size requirements for an elementary school requiring a licensed principal.
- (11) Any other related matters.

The department shall establish at least one (1) system for renewing a teaching license that does not require a graduate degree.

**(c)** This subsection does not apply to an applicant for a substitute teacher license **or to an individual granted a license under section 18 of this chapter.** After June 30, 2011, the department may not issue an initial practitioner license at any grade level to an applicant for an initial practitioner license unless the applicant shows evidence that the applicant:

- (1) has successfully completed training approved by the department in:
  - (A) cardiopulmonary resuscitation that includes a test demonstration on a mannequin;
  - (B) removing a foreign body causing an obstruction in an airway;
  - (C) the Heimlich maneuver; and
  - (D) the use of an automated external defibrillator;

(2) holds a valid certification in each of the procedures described in subdivision (1) issued by:

- (A) the American Red Cross;
- (B) the American Heart Association; or
- (c) a comparable organization or institution approved by the advisory board; or
- (3) has physical limitations that make it impracticable for the applicant to complete a course or certification described in subdivision (1) or (2).

The training in this subsection applies to a teacher (as defined in IC 20-18-2-22(b)).

(d) This subsection does not apply to an applicant for a substitute teacher license **or to an individual granted a license under section 18 of this chapter**. After June 30, 2013, the department may not issue an initial teaching license at any grade level to an applicant for an initial teaching license unless the applicant shows evidence that the applicant has successfully completed education and training on the prevention of child suicide and the recognition of signs that a student may be considering suicide.

(e) This subsection does not apply to an applicant for a substitute teacher license. After June 30, 2012, the department may not issue a teaching license renewal at any grade level to an applicant unless the applicant shows evidence that the applicant:

- (1) has successfully completed training approved by the department in:
  - (A) cardiopulmonary resuscitation that includes a test demonstration on a mannequin;
  - (B) removing a foreign body causing an obstruction in an airway;
  - (c) the Heimlich maneuver; and
  - (D) the use of an automated external defibrillator;
- (2) holds a valid certification in each of the procedures described in subdivision (1) issued by:
  - (A) the American Red Cross;
  - (B) the American Heart Association; or
  - (c) a comparable organization or institution approved by the advisory board; or
- (3) has physical limitations that make it impracticable for the applicant to complete a course or certification described in subdivision (1) or (2).

(f) The department shall periodically publish bulletins regarding:

- (1) the details described in subsection (b);
- (2) information on the types of licenses issued;
- (3) the rules governing the issuance of each type of license; and
- (4) other similar matters.

SECTION 8. IC 20-28-5-12, AS AMENDED BY P.L.6-2012, SECTION 136, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 12. (a) Subsection (b) does not apply to an individual who:

- (1) held an Indiana limited, reciprocal, or standard teaching license on June 30, 1985; **or**
- (2) **is granted a license under section 18 of this chapter.**

(b) The department may not grant an initial practitioner license to an individual unless the individual has demonstrated proficiency in the following areas on a written examination or through other procedures prescribed by the department:

- (1) Basic reading, writing, and mathematics.
- (2) Pedagogy.
- (3) Knowledge of the areas in which the individual is required to have a license to teach.
- (4) If the individual is seeking to be licensed as an elementary school teacher, comprehensive scientifically based reading instruction skills, including:
  - (A) phonemic awareness;
  - (B) phonics instruction;
  - (c) fluency;
  - (D) vocabulary; and

(E) comprehension.

(c) An individual's license examination score may not be disclosed by the department without the individual's consent unless specifically required by state or federal statute or court order.

(d) The state board shall adopt rules under IC 4-22-2 to do the following:

- (1) Adopt, validate, and implement the examination or other procedures required by subsection (b).
- (2) Establish examination scores indicating proficiency.
- (3) Otherwise carry out the purposes of this section.

(e) **Subject to section 18 of this chapter**, the state board shall adopt rules under IC 4-22-2 establishing the conditions under which the requirements of this section may be waived for an individual holding a valid teacher's license issued by another state.

SECTION 9. IC 20-28-5-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 18. (a) **This section applies to an individual who:**

- (1) **holds a valid teaching license issued by another state (excluding a teaching license equivalent to an Indiana temporary or emergency teaching license) in the same content area or areas for which the individual is applying for a license in Indiana; and**
- (2) **was required to pass a content licensure test to obtain the license described in subdivision (1).**

(b) **Notwithstanding sections 3 and 12 of this chapter, the department shall grant one (1) of the following licenses to an individual described in subsection (a):**

- (1) **If the individual has less than three (3) years of full-time teaching experience, an initial practitioner's license.**
- (2) **If the individual has at least three (3) years of full-time teaching experience, a practitioner's license.**

(c) **An individual who is granted a license under this section shall comply with section 3(c) and 3(d) of this chapter not later than twelve (12) months after the date the individual's license is issued.**

SECTION 10. IC 20-28-9-1.5, AS AMENDED BY P.L.213-2015, SECTION 179, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1.5. (a) This subsection governs salary increases for a teacher employed by a school corporation. Compensation attributable to additional degrees or graduate credits earned before the effective date of a local compensation plan created under this chapter before July 1, 2015, shall continue for school years beginning after June 30, 2015. Compensation attributable to additional degrees for which a teacher has started course work before July 1, 2011, and completed course work before September 2, 2014, shall also continue for school years beginning after June 30, 2015. For school years beginning after June 30, 2015, a school corporation may provide a supplemental payment to a teacher in excess of the salary specified in the school corporation's compensation plan if the teacher **teaches an advanced placement course** or has earned a master's degree from an accredited postsecondary educational institution in a content area directly related to the subject matter of:

- (1) a dual credit course; or
- (2) another course;

taught by the teacher. In addition, a supplemental payment may be made to an elementary school teacher who earns a master's degree in math or reading and literacy. A supplement provided under this subsection is not subject to collective bargaining, but a discussion of the supplement must be held. Such a supplement is in addition to any increase permitted under subsection (b).

(b) Increases or increments in a local salary range must be based upon a combination of the following factors:

- (1) A combination of the following factors taken together may account for not more than thirty-three percent (33%)

of the calculation used to determine a teacher's increase or increment:

- (A) The number of years of a teacher's experience.
- (B) The attainment of either:
  - (i) additional content area degrees beyond the requirements for employment; or
  - (ii) additional content area degrees and credit hours beyond the requirements for employment, if required under an agreement bargained under IC 20-29.
- (2) The results of an evaluation conducted under IC 20-28-11.5.
- (3) The assignment of instructional leadership roles, including the responsibility for conducting evaluations under IC 20-28-11.5.
- (4) The academic needs of students in the school corporation.

(c) **Except as provided in subsection (d),** a teacher rated ineffective or improvement necessary under IC 20-28-11.5 may not receive any raise or increment for the following year if the teacher's employment contract is continued. The amount that would otherwise have been allocated for the salary increase of teachers rated ineffective or improvement necessary shall be allocated for compensation of all teachers rated effective and highly effective based on the criteria in subsection (b).

**(d) Subsection (c) does not apply to a teacher in the first two (2) full school years that the teacher provides instruction to students in elementary school or high school. If a teacher provides instruction to students in elementary school or high school in another state, any full school year, or its equivalent in the other state, that the teacher provides instruction counts toward the two (2) full school years under this subsection.**

**(d) (e)** A teacher who does not receive a raise or increment under subsection (c) may file a request with the superintendent or superintendent's designee not later than five (5) days after receiving notice that the teacher received a rating of ineffective. The teacher is entitled to a private conference with the superintendent or superintendent's designee.

**(e) (f)** The department shall publish a model compensation plan with a model salary range that a school corporation may adopt. Before July 1, 2015, the department may modify the model compensation plan, as needed, to comply with subsection **(f) (g)**.

**(f) (g)** Each school corporation shall submit its local compensation plan to the department. For a school year beginning after June 30, 2015, a local compensation plan must specify the range for teacher salaries. The department shall publish the local compensation plans on the department's Internet web site.

**(g) (h)** The department shall report any noncompliance with this section to the state board.

**(h) (i)** The state board shall take appropriate action to ensure compliance with this section.

**(i) (j)** This chapter may not be construed to require or allow a school corporation to decrease the salary of any teacher below the salary the teacher was earning on or before July 1, 2015, if that decrease would be made solely to conform to the new compensation plan.

**(j) (k)** After June 30, 2011, all rights, duties, or obligations established under IC 20-28-9-1 before its repeal are considered rights, duties, or obligations under this section.

SECTION 11. IC 20-29-6-7, AS AMENDED BY P.L.213-2015, SECTION 189, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 7. A school employer shall discuss with the exclusive representative of certificated employees the following items:

- (1) Curriculum development and revision.
- (2) Selection of curricular materials.
- (3) Teaching methods.
- (4) Hiring, evaluation, promotion, demotion, transfer,

assignment, and retention of certificated employees.

- (5) Student discipline.
- (6) Expulsion or supervision of students.
- (7) Pupil/teacher ratio.
- (8) Class size or budget appropriations.
- (9) Safety issues for students and employees in the workplace, except those items required to be kept confidential by state or federal law.
- (10) Hours.
- (11) Funding for a plan for a remediation program for any subset of students enrolled in kindergarten through grade 12.
- (12) The following nonbargainable items under IC 20-43-10-3:
  - (A) Performance grants.
  - (B) Individual performance stipends to teachers.
  - (c) Additions to base salary based on performance stipends.
- (13) The pre-evaluation planning session required under IC 20-28-11.5-4.
- (14) The superintendent's report to the governing body concerning staff performance evaluations required under IC 20-28-11.5-9.
- (15) A career pathways and mentorship plan established under IC 20-20-42.2.**

SECTION 12. IC 20-43-7-1, AS AMENDED BY P.L.205-2013, SECTION 290, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) In addition to the amount a school corporation is entitled to receive in basic tuition support, each school corporation is entitled to receive a grant for special education programs for the state fiscal year. Subject to subsections (b) and (c), the amount of the special education grant is based on the count of eligible pupils enrolled in special education programs on December 1 of the preceding state fiscal year in:

- (1) the school corporation; or
- (2) a transferee corporation.

(b) Before February 1 of each calendar year, the department shall determine the result of:

- (1) the total amount of the special education grant that would have been received by the school corporation during the months of July, August, September, October, November, and December of the preceding calendar year and January of the current calendar year if the grant had been based on the count of students with disabilities that was made on the immediately preceding December 1; minus
- (2) the total amount of the special education grant received by the school corporation during the months of July, August, September, October, November, and December of the preceding calendar year and January of the current calendar year.

If the result determined under this subsection is positive, the school corporation shall receive an additional special education grant distribution in February equal to the result determined under this subsection. If the result determined under this subsection is negative, the special education grant distributions that otherwise would be received by the school corporation in February, March, April, and May shall be proportionately reduced so that the total reduction is equal to the result determined under this subsection.

(c) The special education grant distributions made in February, March, April, May, and June of a calendar year shall be based on the count of students with disabilities that was made on the immediately preceding December 1.

**(d) After June 30, 2016, in addition to the December 1 count, a second count of eligible pupils enrolled in special education programs shall be conducted. The count must be in the spring semester on a date fixed by the state board. The spring count of eligible students shall be used for**

informational purposes and is not used to calculate grant amounts under this chapter.

SECTION 13. IC 20-43-7-5, AS ADDED BY P.L.2-2006, SECTION 166, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) In a school corporation's cumulative count of pupils in homebound programs, a school corporation shall count each pupil who received homebound instruction up to and including December 1 of the current year plus each pupil who received homebound instruction after December 1 of the prior school year.

(b) This subsection applies to a state fiscal year starting after June 30, 2016. In addition to the cumulative count described in subsection (a), a school corporation shall conduct a cumulative count of pupils in homebound programs for informational purposes and is not used to calculate grants under this chapter. In a school corporation's informational cumulative count of pupils in homebound programs, a school corporation shall count each pupil who received homebound instruction:

- (1) for the December 1 count, up to and including the December 1 count date of the current year plus each pupil who received homebound instruction after the spring count date of the prior school year; and
- (2) for the spring count, up to and including the spring count date of the current year plus each pupil who received homebound instruction after the December 1 count date of the current school year.

(b)(c) A school corporation may include a pupil in the school corporation's cumulative count of pupils in homebound programs even if the pupil also is included in the school corporation's:

- (1) nonduplicated count of pupils in programs for severe disabilities;
- (2) nonduplicated count of pupils in programs for mild and moderate disabilities; or
- (3) duplicated count of pupils in programs for communication disorders.

SECTION 14. IC 20-43-15 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]:

#### **Chapter 15. Dual Credit Teacher Stipend Matching Grant Fund**

Sec. 1. The following definitions apply throughout this chapter:

- (1) "Eligible teacher" refers to a teacher who:
  - (A) teaches a dual credit class; and
  - (B) either:
    - (i) holds; or
    - (ii) is in the process of obtaining; a master's degree that includes at least eighteen (18) credit hours in the subject area of the dual credit class the teacher teaches.
- (2) "Fund" refers to the dual credit teacher stipend matching grant fund established by section 2 of this chapter.

Sec. 2. (a) The dual credit teacher stipend matching grant fund is established to provide matching grants to school corporations to provide stipends for eligible teachers.

(b) The department shall administer the fund.

(c) The fund consists of the following:

- (1) Appropriations by the general assembly.
- (2) Interest deposited in the fund under subsection (d).
- (3) Money deposited in or transferred to the fund from any other source.

(d) The treasurer of state shall invest money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund.

Sec. 3. A school corporation may apply to the department for a grant from the fund for stipends for eligible teachers.

The application must be in the form and manner prescribed by the department, and submitted by the date set by the state board.

Sec. 4. A school corporation's application for a grant from the fund must specify the amount of money that the school corporation is committing to contribute to the stipends, with a maximum commitment of two thousand dollars (\$2,000) for each teacher stipend.

Sec. 5. (a) Except as provided in subsection (b), if the department approves a grant to a school corporation under this chapter, the amount of the grant from the fund is equal to the amount that the school corporation commits to contribute to the stipends.

(b) If the number of requests for grants from the fund exceeds the amount of money in the fund, the department shall proportionately reduce the amount of each grant from the fund.

(c) The department shall annually distribute grants to school corporations by a date determined by the state board.

Sec. 6. The state board and department may adopt guidelines to implement this chapter.

SECTION 15. IC 20-51-4-1, AS AMENDED BY HEA 1219-2016, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) Except as provided under subsections (b) through (h), it is the intent of the general assembly to honor the autonomy of nonpublic schools that choose to become eligible schools under this chapter. A nonpublic eligible school is not an agent of the state or federal government, and therefore:

- (1) the department or any other state agency may not in any way regulate the educational program of a nonpublic eligible school that accepts a choice scholarship under this chapter, including the regulation of curriculum content, religious instruction or activities, classroom teaching, teacher and staff hiring requirements, and other activities carried out by the eligible school;
- (2) the creation of the choice scholarship program does not expand the regulatory authority of the state, the state's officers, or a school corporation to impose additional regulation of nonpublic schools beyond those necessary to enforce the requirements of the choice scholarship program in place on July 1, 2011; and
- (3) a nonpublic eligible school shall be given the freedom to provide for the educational needs of students without governmental control.

(b) This section applies to the following writings, documents, and records:

- (1) The Constitution of the United States.
- (2) The national motto.
- (3) The national anthem.
- (4) The Pledge of Allegiance.
- (5) The Constitution of the State of Indiana.
- (6) The Declaration of Independence.
- (7) The Mayflower Compact.
- (8) The Federalist Papers.
- (9) "Common Sense" by Thomas Paine.
- (10) The writings, speeches, documents, and proclamations of the founding fathers and presidents of the United States.
- (11) United States Supreme Court decisions.
- (12) Executive orders of the presidents of the United States.
- (13) Frederick Douglass's speech at Rochester, New York, on July 5, 1852, entitled "What to the Slave is the Fourth of July?"
- (14) "Appeal" by David Walker.
- (15) Chief Seattle's letter to the United States government in 1852 in response to the United States government's inquiry regarding the purchase of tribal lands.

(c) An eligible school may allow a principal or teacher in the eligible school to read or post in the school building or classroom or at a school event any excerpt or part of a writing, document, or record listed in subsection (b).

(d) An eligible school may not permit the content based censorship of American history or heritage based on religious references in a writing, document, or record listed in subsection (b).

(e) A library, a media center, or an equivalent facility that an eligible school maintains for student use must contain in the facility's permanent collection at least one (1) copy of each writing or document listed in subsection (b)(1) through (b)(9).

(f) An eligible school shall do the following:

(1) Allow a student to include a reference to a writing, document, or record listed in subsection (b) in a report or other work product.

(2) May not punish the student in any way, including a reduction in grade, for using the reference.

(3) Display the United States flag in each classroom.

(4) Provide a daily opportunity for students to voluntarily recite the Pledge of Allegiance in each classroom or on school grounds. A student is exempt from participation in the Pledge of Allegiance and may not be required to participate in the Pledge of Allegiance if:

(A) the student chooses to not participate; or

(B) the student's parent chooses to have the student not participate.

(5) Provide instruction on the constitutions of:

(A) Indiana; and

(B) the United States.

(6) For an eligible school that enrolls students in grades 6 through 12, provide within the two (2) weeks preceding a general election five (5) full recitation periods of class discussion concerning:

(A) the system of government in Indiana and in the United States;

(B) methods of voting;

(C) party structures;

(D) election laws; and

(E) the responsibilities of citizen participation in government and in elections.

(7) Require that each teacher employed by the eligible school present instruction with special emphasis on:

(A) honesty;

(B) morality;

(C) courtesy;

(D) obedience to law;

(E) respect for the national flag and the Constitution of the State of Indiana and the Constitution of the United States;

(F) respect for parents and the home;

(G) the dignity and necessity of honest labor; and

(H) other lessons of a steadying influence that tend to promote and develop an upright and desirable citizenry.

(8) Provide good citizenship instruction that stresses the nature and importance of the following:

(A) Being honest and truthful.

(B) Respecting authority.

(C) Respecting the property of others.

(D) Always doing the student's personal best.

(E) Not stealing.

(F) Possessing the skills (including methods of conflict resolution) necessary to live peaceably in society and not resorting to violence to settle disputes.

(G) Taking personal responsibility for obligations to family and community.

(H) Taking personal responsibility for earning a livelihood.

(I) Treating others the way the student would want to be treated.

(J) Respecting the national flag, the Constitution of the United States, and the Constitution of the State of Indiana.

(K) Respecting the student's parents and home.

(L) Respecting the student's self.

(M) Respecting the rights of others to have their own views and religious beliefs.

(9) Provide instruction in the following studies:

(A) Language arts, including:

(i) English;

(ii) grammar;

(iii) composition;

(iv) speech; and

(v) second languages.

(B) Mathematics.

(C) Social studies and citizenship, including the:

(i) constitutions;

(ii) governmental systems; and

(iii) histories;

of Indiana and the United States, including a study of the Holocaust and the role religious extremism played in the events of September 11, 2001, in each high school United States history course.

(D) Sciences.

(E) Fine arts, including music and art.

(F) Health education, physical fitness, safety, and the effects of alcohol, tobacco, drugs, and other substances on the human body.

(g) An eligible school ~~charter school, or public school~~ shall not teach the violent overthrow of the government of the United States.

(h) Nothing in this section shall be construed to limit the requirements of IC 20-30-5.

SECTION 16. IC 20-51-4-3, AS AMENDED BY P.L.6-2012, SECTION 144, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) An eligible school may not discriminate on the basis of race, color, or national origin.

(b) An eligible school shall abide by the school's written admission policy fairly and without discrimination with regard to students who:

(1) apply for; or

(2) are awarded;

scholarships under this chapter.

(c) If the number of applicants for enrollment in an eligible school under a choice scholarship exceeds the number of choice scholarships available to the eligible school, the eligible school must draw at random in a public meeting the applications of applicants who are entitled to a choice scholarship from among the applicants who meet the requirements for admission to the eligible school.

(d) The department shall make random visits to at least five percent (5%) of eligible schools ~~and charter schools during a particular school year~~ to verify that the eligible school ~~or charter school~~ complies with the provisions of this chapter and the Constitutions of the State of Indiana and the United States.

(e) Each eligible school ~~public school, and charter school~~ shall grant the department reasonable access to its premises, including access to the school's grounds, buildings, and property.

(f) Each year the principal of each eligible school shall certify under penalties of perjury to the department that the eligible school is complying with the requirements of this chapter. The department shall develop a process for eligible schools to follow to make certifications.

SECTION 17. IC 20-51-4-4, AS AMENDED BY P.L.213-2015, SECTION 233, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) The amount an eligible choice scholarship student is entitled to receive under this chapter for a school year is equal to the



following:

(1) The least of the following:

(A) The sum of the tuition, transfer tuition, and fees required for enrollment or attendance of the eligible choice scholarship student at the eligible school selected by the eligible choice scholarship student for a school year that the eligible choice scholarship student (or the parent of the eligible choice scholarship student) would otherwise be obligated to pay to the eligible school.

(B) An amount equal to:

(i) ninety percent (90%) of the state tuition support amount determined under section 5 of this chapter if the eligible choice scholarship student is a member of a household with an annual income of not more than the amount required for the eligible choice scholarship student to qualify for the federal free or reduced price lunch program; and

(ii) fifty percent (50%) of the state tuition support amount determined under section 5 of this chapter if the eligible choice scholarship student is a member of a household with an annual income of, in the case of an individual not described in section 2.5 of this chapter, not more than one hundred fifty percent (150%) of the amount required for the eligible choice scholarship student to qualify for the federal free or reduced price lunch program or, in the case of an individual described in section 2.5 of this chapter, not more than two hundred percent (200%) of the amount required for the eligible choice scholarship student to qualify for the federal free or reduced price lunch program.

(2) In addition, if the eligible choice scholarship student has been identified as eligible for special education services under IC 20-35 and the eligible school provides the necessary special education or related services to the eligible choice scholarship student, any amount that a school corporation would receive under IC 20-43-7 for the eligible choice scholarship student if the eligible choice scholarship student attended the school corporation. **However, if an eligible choice scholarship student changes schools during the school year after the December 1 count under IC 20-43-7-1 of eligible pupils enrolled in special education programs and the eligible choice scholarship student enrolls in a different eligible school, any choice scholarship amounts paid to the eligible choice scholarship student for the remainder of the school year after the eligible choice scholarship student enrolls in the different eligible school shall not include amounts that a school corporation would receive under IC 20-43-7 for the eligible choice scholarship student if the eligible choice scholarship student attended the school corporation.**

**(b) The amount an eligible choice scholarship student is entitled to receive under this chapter if the eligible student applies for the choice scholarship under section 7(e)(2) of this chapter shall be reduced on a prorated basis in the manner prescribed in section 6 of this chapter.**

SECTION 18. IC 20-51-4-4.5, AS AMENDED BY P.L.26-2014, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4.5. (a) If an eligible choice scholarship student:

- (1) who attends school at a choice scholarship school; and
- (2) who is eligible to receive special education funds under IC 20-43-7;

chooses to receive special education services at a school corporation required to provide special education services to the eligible choice scholarship student under 511 IAC 7-34-1, the special education funds under IC 20-43-7 for that student will be made available to the school corporation where the student

receives special education services.

(b) Notwithstanding 511 IAC 7-34-1(d)(4), a public school is not required to make available special education and related services to an eligible choice scholarship student if the eligible choice scholarship student receives funds under section ~~4(2)~~ **4(a)(2)** of this chapter and the special education services are provided to the eligible choice scholarship student by the eligible school. This subsection may not be construed as a restriction or limitation on any of the rights, benefits, and protections granted to an individual under the federal Individuals with Disabilities Education Improvement Act of 2004 (20 U.S.C. 1400 et seq.).

(c) A school corporation may not include an eligible choice scholarship student who receives an amount under section ~~4(2)~~ **4(a)(2)** of this chapter in the school corporation's count under IC 20-43-7.

SECTION 19. IC 20-51-4-4.6, AS ADDED BY P.L.211-2013, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 4.6. (a) The state board shall adopt rules under IC 4-22-2, including emergency rules adopted in the manner provided under IC 4-22-2-37.1, for the provision of special education or related services to an eligible choice scholarship student who receives an amount under section ~~4(2)~~ **4(a)(2)** of this chapter. The rules adopted under this section shall include annual reporting requirements, monitoring, and consequences for noncompliance by an eligible school.

(b) An emergency rule adopted by the state board under this section expires on the earliest of the following dates:

- (1) The expiration date stated in the emergency rule.
- (2) The date the emergency rule is amended or repealed by a later rule adopted under IC 4-22-2-22.5 through IC 4-22-2-36 or under IC 4-22-2-37.1.
- (3) One (1) year after the date the emergency rule is adopted.

SECTION 20. IC 20-51-4-5, AS AMENDED BY P.L.211-2013, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 5. The state tuition support amount to be used in section ~~4(1)(B)~~ **4(a)(1)(B)** of this chapter for an eligible choice scholarship student is the amount determined under the last STEP of the following formula:

STEP ONE: Determine the school corporation in which the eligible choice scholarship student has legal settlement.

STEP TWO: Determine the amount of state tuition support that the school corporation identified under STEP ONE is eligible to receive under IC 20-43 for the state fiscal year in which the current school year begins, excluding amounts provided for special education grants under IC 20-43-7 and career and technical education grants under IC 20-43-8.

STEP THREE: Determine the result of:

- (A) the STEP TWO amount; divided by
- (B) the current ADM (as defined in IC 20-43-1-10) for the school corporation identified under STEP ONE for the state fiscal year used in STEP TWO.

SECTION 21. IC 20-51-4-6, AS AMENDED BY P.L.211-2013, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 6. ~~(a)~~ If an eligible choice scholarship student enrolls in an eligible school for less than an entire school year, the choice scholarship provided under this chapter for that school year shall be reduced on a prorated basis to reflect the shorter school term.

**(b) An eligible choice scholarship student is entitled to only one (1) choice scholarship for each school year. If the eligible choice scholarship student leaves the eligible school for which the eligible choice scholarship student was awarded a choice scholarship and enrolls in another eligible school, the eligible choice scholarship student is responsible for the payment of any**

tuition required for the remainder of that school year.

SECTION 22. IC 20-51-4-7, AS AMENDED BY P.L.239-2015, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 7. (a) The department shall administer this chapter.

(b) The department shall approve an application for an eligible school within fifteen (15) days after the date the school requests to participate in the choice scholarship program.

(c) The department shall approve an application for a choice scholarship student within fifteen (15) days after the date the student requests to participate in the choice scholarship program.

(d) Each year, at a minimum, the department shall accept applications from March 1 through September 1 for

- (1) choice scholarship students; or
- (2) eligible schools

for the upcoming school year.

(e) Each year, at a minimum, the department shall accept applications for choice scholarship students from:

- (1) March 1 through September 1 for the upcoming school year; and
- (2) September 2 through January 15 for the spring semester of the current school year.

(f) This chapter may not be construed in a manner that would impose additional requirements for approving an application for an eligible school placed in a "null" or "no letter grade" category established under IC 20-31-8-3(b).

(g) The department shall adopt rules under IC 4-22-2 to implement this chapter.

(h) The department may adopt emergency rules under IC 4-22-2-37.1 to implement this chapter.

SECTION 23. IC 20-51-4-10, AS AMENDED BY P.L.211-2013, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 10. The department shall distribute choice scholarships at least once each semester, or at equivalent intervals. The department may distribute the choice scholarship to the eligible choice scholarship student (or the parent of the eligible choice scholarship student) for the purpose of paying the educational costs described in section 4(1)(A) of this chapter (before July 1, 2017) or in section 4(a)(1)(A) of this chapter (after June 30, 2017). For the distribution to be valid, the distribution must be endorsed by both the eligible choice scholarship student (or the parent of the eligible choice scholarship student) and the eligible school providing educational services to the eligible choice scholarship student must annually sign a form, prescribed by the department to endorse distributions for the particular school year. If:

- (1) an eligible choice scholarship student who is receiving a choice scholarship for a school year changes schools during the school year after signing the form to endorse distributions for that school year; and
- (2) the eligible choice scholarship student enrolls in a different eligible school that has not signed the form to endorse distributions for that school year;

the eligible choice scholarship student (or the parent of the eligible choice scholarship student) and the eligible school must sign the form prescribed by the department to endorse distributions for the particular school year.

SECTION 24. IC 31-33-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) If an individual is required to make a report under this article in the individual's capacity as a member of the staff of a medical or other public or private institution, school, facility, or agency, the individual shall immediately notify the individual in charge of the institution, school, facility, or agency or the designated agent of the individual in charge of the institution, school, facility, or agency.

(b) An individual notified under subsection (a) shall

immediately report or cause a report to be made to:

- (1) the department; or
- (2) the local law enforcement agency.

SECTION 25. IC 35-50-10 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:

#### **Chapter 10. Criminal Conviction Information for Teachers**

Sec. 1. (a) If an individual is a teacher in a primary or secondary school, including a public or nonpublic school, and is convicted of:

- (1) kidnapping (IC 35-42-3-2);
- (2) criminal confinement (IC 35-42-3-3);
- (3) rape (IC 35-42-4-1);
- (4) criminal deviate conduct (IC 35-42-4-2) (before its repeal);
- (5) child molesting (IC 35-42-4-3);
- (6) child exploitation (IC 35-42-4(b));
- (7) vicarious sexual gratification (IC 35-42-4-5);
- (8) child solicitation (IC 35-42-4-6);
- (9) child seduction (IC 35-42-4-7);
- (10) sexual misconduct with a minor (IC 35-42-4-9);
- (11) incest (IC 35-46-1-3);
- (12) dealing in or manufacturing cocaine or a narcotic drug (IC 35-48-4-1);
- (13) dealing in methamphetamine (IC 35-48-4-1.1);
- (14) dealing in a schedule I, II, or III controlled substance (IC 35-48-4-2);
- (15) dealing in a schedule IV controlled substance (IC 35-48-4-3);
- (16) dealing in a schedule V controlled substance (IC 35-48-4-4);
- (17) dealing in a counterfeit substance (IC 35-48-4-5);
- (18) dealing in marijuana, hash oil, hashish, or salvia as a felony (IC 35-48-4-10);
- (19) dealing in a synthetic drug or synthetic drug lookalike substance (IC 35-48-4-10.5, or IC 35-48-4-10(b) before its amendment in 2013);
- (20) possession of child pornography (IC 35-42-4-4(c));
- (21) homicide (IC 35-42-1);
- (22) voluntary manslaughter (IC 35-42-1-3);
- (23) reckless homicide (IC 35-42-1-5);
- (24) battery (IC 35-42-2-1) as:
  - (A) a Class A felony (for a crime committed before July 1, 2014) or a Level 2 felony (for a crime committed after June 30, 2014);
  - (B) a Class B felony (for a crime committed before July 1, 2014) or a Level 3 felony (for a crime committed after June 30, 2014); or
  - (C) a Class C felony (for a crime committed before July 1, 2014) or a Level 5 felony (for a crime committed after June 30, 2014);
- (25) aggravated battery (IC 35-42-2-1.5);
- (26) robbery (IC 35-42-5-1);
- (27) carjacking (IC 35-42-5-2) (before its repeal);
- (28) arson as a Class A felony or Class B felony (for a crime committed before July 1, 2014) or as a Level 2, Level 3, or Level 4 felony (for a crime committed after June 30, 2014) (IC 35-43-1-1(a));
- (29) burglary as a Class A felony or Class B felony (for a crime committed before July 1, 2014) or as a Level 1, Level 2, Level 3, or Level 4 felony (for a crime committed after June 30, 2014) (IC 35-43-2-1);
- (30) attempt under IC 35-41-5-1 to commit an offense listed in this subsection; or
- (31) conspiracy under IC 35-41-5-2 to commit an offense listed in this subsection;

the judge who presided over the trial or accepted a plea agreement shall give written notice of the conviction to the state superintendent and the chief administrative officer of the primary or secondary school, including a public or

nonpublic school, or, if the individual is employed in a public school, the superintendent of the school district in which the individual is employed.

(b) Notice under subsection (a) must occur not later than seven (7) days after the date the judgment is entered.

(c) The notification sent to a school or school district under subsection (a) must include only the felony for which the individual was convicted.

(d) If a judge later modifies the individual's sentence after giving notice under this section, the judge shall notify the school or the school district of the modification.

(e) After receiving a notification under subsection (a), the superintendent shall initiate procedures to revoke the individual's license to teach.

SECTION 26. [EFFECTIVE UPON PASSAGE] (a) The legislative council is urged to assign to an appropriate study committee during the 2016 legislative interim the following topics:

(1) Ways to reduce school sexual misconduct violations and methods of improving the reporting requirements of sexual misconduct violations in schools.

(2) The effect of the time at which students start the school day, including impacts on student safety, student achievement, and lost instruction time for students.

(b) This SECTION expires December 31, 2016.

SECTION 27. An emergency is declared for this act.

(Reference is to EHB 1005 as printed February 19, 2016.)

DEVON	KRUSE
BEHNING	YODER
House Conferees	Senate Conferees

#### HOUSE MOTION

Mr. Speaker: Pursuant to House Rule 47, I request to be excused from voting on the question of conference committee report 1 for Engrossed House Bill 1005. Pursuant to House Rule 46, the reason for the request is the following:

"I have a conflict of interest in that this legislative matter could reasonably be expected to have a unique, direct and substantial effect on my income in that the company that I work for provides testing to students that was specified in the bill, and I should be excused from voting to avoid the appearance of impropriety and to bolster the public trust."

HUSTON

Motion prevailed.

The question than was on adoption of conference committee report 1. Roll Call 416: yeas 52, nays 43. Report adopted.

#### CONFERENCE COMMITTEE REPORT

##### EHB 1019-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1019 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 5-14-3-2, AS AMENDED BY HEA 1022-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) The definitions set forth in this section apply throughout this chapter.

(b) "Copy" includes transcribing by handwriting, photocopying, xerography, duplicating machine, duplicating electronically stored data onto a disk, tape, drum, or any other medium of electronic data storage, and reproducing by any other

means.

(c) "Criminal intelligence information" means data that has been evaluated to determine that the data is relevant to:

(1) the identification of; and

(2) the criminal activity engaged in by;

an individual who or organization that is reasonably suspected of involvement in criminal activity.

(d) "Direct cost" means one hundred five percent (105%) of the sum of the cost of:

(1) the initial development of a program, if any;

(2) the labor required to retrieve electronically stored data; and

(3) any medium used for electronic output;

for providing a duplicate of electronically stored data onto a disk, tape, drum, or other medium of electronic data retrieval under section 8(g) of this chapter, or for reprogramming a computer system under section 6(c) of this chapter.

(e) "Electronic map" means copyrighted data provided by a public agency from an electronic geographic information system.

(f) "Enhanced access" means the inspection of a public record by a person other than a governmental entity and that:

(1) is by means of an electronic device other than an electronic device provided by a public agency in the office of the public agency; or

(2) requires the compilation or creation of a list or report that does not result in the permanent electronic storage of the information.

(g) "Facsimile machine" means a machine that electronically transmits exact images through connection with a telephone network.

(h) "Inspect" includes the right to do the following:

(1) Manually transcribe and make notes, abstracts, or memoranda.

(2) In the case of tape recordings or other aural public records, to listen and manually transcribe or duplicate, or make notes, abstracts, or other memoranda from them.

(3) In the case of public records available:

(A) by enhanced access under section 3.5 of this chapter; or

(B) to a governmental entity under section 3(c)(2) of this chapter;

to examine and copy the public records by use of an electronic device.

(4) In the case of electronically stored data, to manually transcribe and make notes, abstracts, or memoranda or to duplicate the data onto a disk, tape, drum, or any other medium of electronic storage.

(I) "Investigatory record" means information compiled in the course of the investigation of a crime.

(j) "Law enforcement activity" means:

(1) a traffic stop;

(2) a pedestrian stop;

(3) an arrest;

(4) a search;

(5) an investigation;

(6) a pursuit;

(7) crowd control;

(8) traffic control; or

(9) any other instance in which a law enforcement officer is enforcing the law.

The term does not include an administrative activity, including the completion of paperwork related to a law enforcement activity, or a custodial interrogation conducted in a place of detention as described in Indiana Evidence Rule 617, regardless of the ultimate admissibility of a statement made during the custodial interrogation.

(k) "Law enforcement recording" means an audio, visual, or audiovisual recording of a law enforcement activity captured by a camera or other device that is:

(1) provided to or used by a law enforcement officer in the scope of the officer's duties; and

(2) designed to be worn by a law enforcement officer or attached to the vehicle or transportation of a law enforcement officer.

(f) (l) "Offender" means a person confined in a penal institution as the result of the conviction for a crime.

(f) (m) "Patient" has the meaning set out in IC 16-18-2-272(d).

(f) (n) "Person" means an individual, a corporation, a limited liability company, a partnership, an unincorporated association, or a governmental entity.

(m) (o) "Private university police department" means the police officers appointed by the governing board of a private university under IC 21-17-5.

(m) (p) "Provider" has the meaning set out in IC 16-18-2-295(b) and includes employees of the state department of health or local boards of health who create patient records at the request of another provider or who are social workers and create records concerning the family background of children who may need assistance.

(f) (q) "Public agency", except as provided in section 2.1 of this chapter, means the following:

(1) Any board, commission, department, division, bureau, committee, agency, office, instrumentality, or authority, by whatever name designated, exercising any part of the executive, administrative, judicial, or legislative power of the state.

(2) Any:

(A) county, township, school corporation, city, or town, or any board, commission, department, division, bureau, committee, office, instrumentality, or authority of any county, township, school corporation, city, or town;

(B) political subdivision (as defined by IC 36-1-2-13); or

(C) other entity, or any office thereof, by whatever name designated, exercising in a limited geographical area the executive, administrative, judicial, or legislative power of the state or a delegated local governmental power.

(3) Any entity or office that is subject to:

(A) budget review by either the department of local government finance or the governing body of a county, city, town, township, or school corporation; or

(B) an audit by the state board of accounts that is required by statute, rule, or regulation.

(4) Any building corporation of a political subdivision that issues bonds for the purpose of constructing public facilities.

(5) Any advisory commission, committee, or body created by statute, ordinance, or executive order to advise the governing body of a public agency, except medical staffs or the committees of any such staff.

(6) Any law enforcement agency, which means an agency or a department of any level of government that engages in the investigation, apprehension, arrest, or prosecution of alleged criminal offenders, such as the state police department, the police or sheriff's department of a political subdivision, prosecuting attorneys, members of the excise police division of the alcohol and tobacco commission, conservation officers of the department of natural resources, gaming agents of the Indiana gaming commission, gaming control officers of the Indiana gaming commission, and the security division of the state lottery commission.

(7) Any license branch staffed by employees of the bureau of motor vehicles commission under IC 9-16.

(8) The state lottery commission established by IC 4-30-3-1, including any department, division, or office

of the commission.

(9) The Indiana gaming commission established under IC 4-33, including any department, division, or office of the commission.

(10) The Indiana horse racing commission established by IC 4-31, including any department, division, or office of the commission.

(11) A private university police department. The term does not include the governing board of a private university or any other department, division, board, entity, or office of a private university.

(f) (r) "Public record" means any writing, paper, report, study, map, photograph, book, card, tape recording, or other material that is created, received, retained, maintained, or filed by or with a public agency and which is generated on paper, paper substitutes, photographic media, chemically based media, magnetic or machine readable media, electronically stored data, or any other material, regardless of form or characteristics.

(f) (s) "Standard-sized documents" includes all documents that can be mechanically reproduced (without mechanical reduction) on paper sized eight and one-half (8 ½) inches by eleven (11) inches or eight and one-half (8 ½) inches by fourteen (14) inches.

(f) (t) "Trade secret" has the meaning set forth in IC 24-2-3-2.

(f) (u) "Work product of an attorney" means information compiled by an attorney in reasonable anticipation of litigation. The term includes the attorney's:

(1) notes and statements taken during interviews of prospective witnesses; and

(2) legal research or records, correspondence, reports, or memoranda to the extent that each contains the attorney's opinions, theories, or conclusions.

This definition does not restrict the application of any exception under section 4 of this chapter.

SECTION 2. IC 5-14-3-3, AS AMENDED BY P.L.134-2012, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) Any person may inspect and copy the public records of any public agency during the regular business hours of the agency, except as provided in section 4 of this chapter. A request for inspection or copying must:

(1) identify with reasonable particularity the record being requested; and

(2) be, at the discretion of the agency, in writing on or in a form provided by the agency.

No request may be denied because the person making the request refuses to state the purpose of the request, unless such condition is required by other applicable statute. **If a request is for inspection or copying of a law enforcement recording, the request must provide the information required under subsection (l).**

(b) A public agency may not deny or interfere with the exercise of the right stated in subsection (a). Within a reasonable time after the request is received by the agency, the public agency shall either:

(1) provide the requested copies to the person making the request; or

(2) allow the person to make copies:

(A) on the agency's equipment; or

(B) on the person's own equipment.

(c) Notwithstanding subsections (a) and (b), a public agency may or may not do the following:

(1) In accordance with a contract described in section 3.5 of this chapter, permit a person to inspect and copy through the use of enhanced access public records containing information owned by or entrusted to the public agency.

(2) Permit a governmental entity to use an electronic device to inspect and copy public records containing

information owned by or entrusted to the public agency.

(d) Except as provided in subsection (e), a public agency that maintains or contracts for the maintenance of public records in an electronic data storage system shall make reasonable efforts to provide to a person making a request a copy of all disclosable data contained in the records on paper, disk, tape, drum, or any other method of electronic retrieval if the medium requested is compatible with the agency's data storage system. This subsection does not apply to an electronic map.

(e) A state agency may adopt a rule under IC 4-22-2, and a political subdivision may enact an ordinance, prescribing the conditions under which a person who receives information on disk or tape under subsection (d) may or may not use the information for commercial purposes, including to sell, advertise, or solicit the purchase of merchandise, goods, or services, or sell, loan, give away, or otherwise deliver the information obtained by the request to any other person for these purposes. Use of information received under subsection (d) in connection with the preparation or publication of news, for nonprofit activities, or for academic research is not prohibited. A person who uses information in a manner contrary to a rule or ordinance adopted under this subsection may be prohibited by the state agency or political subdivision from obtaining a copy or any further data under subsection (d).

(f) Notwithstanding the other provisions of this section, a public agency is not required to create or provide copies of lists of names and addresses (including electronic mail account addresses) unless the public agency is required to publish such lists and disseminate them to the public under a statute. However, if a public agency has created a list of names and addresses (excluding electronic mail account addresses), it must permit a person to inspect and make memoranda abstracts from the list unless access to the list is prohibited by law. The lists of names and addresses (including electronic mail account addresses) described in subdivisions (1) through (3) may not be disclosed by public agencies to any individual or entity for political purposes and may not be used by any individual or entity for political purposes. In addition, the lists of names and addresses (including electronic mail account addresses) described in subdivisions (1) through (3) may not be disclosed by public agencies to commercial entities for commercial purposes and may not be used by commercial entities for commercial purposes. The prohibition in this subsection against the disclosure of lists for political or commercial purposes applies to the following lists of names and addresses (including electronic mail account addresses):

- (1) A list of employees of a public agency.
- (2) A list of persons attending conferences or meetings at a state educational institution or of persons involved in programs or activities conducted or supervised by the state educational institution.
- (3) A list of students who are enrolled in a public school corporation if the governing body of the public school corporation adopts a policy:

- (A) with respect to disclosure related to a commercial purpose, prohibiting the disclosure of the list to commercial entities for commercial purposes;
- (B) with respect to disclosure related to a commercial purpose, specifying the classes or categories of commercial entities to which the list may not be disclosed or by which the list may not be used for commercial purposes; or
- (c) with respect to disclosure related to a political purpose, prohibiting the disclosure of the list to individuals and entities for political purposes.

A policy adopted under subdivision (3)(A) or (3)(B) must be uniform and may not discriminate among similarly situated commercial entities. For purposes of this subsection, "political purposes" means influencing the election of a candidate for federal, state, legislative, local, or school board office or the

outcome of a public question or attempting to solicit a contribution to influence the election of a candidate for federal, state, legislative, local, or school board office or the outcome of a public question.

(g) A public agency may not enter into or renew a contract or an obligation:

- (1) for the storage or copying of public records; or
- (2) that requires the public to obtain a license or pay copyright royalties for obtaining the right to inspect and copy the records unless otherwise provided by applicable statute;

if the contract, obligation, license, or copyright unreasonably impairs the right of the public to inspect and copy the agency's public records.

(h) If this section conflicts with IC 3-7, the provisions of IC 3-7 apply.

**(I) A request to inspect or copy a law enforcement recording must be in writing. A request identifies a law enforcement recording with reasonable particularity as required by this section only if the request provides the following information regarding the law enforcement activity depicted in the recording:**

- (1) The date and approximate time of the law enforcement activity.**
- (2) The specific location where the law enforcement activity occurred.**
- (3) The name of at least one (1) individual, other than a law enforcement officer, who was directly involved in the law enforcement activity.**

SECTION 3. IC 5-14-3-4, AS AMENDED BY SEA 378-2016, SECTION 3, AND AS AMENDED BY HEA 1022-2016, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) The following public records are excepted from section 3 of this chapter and may not be disclosed by a public agency, unless access to the records is specifically required by a state or federal statute or is ordered by a court under the rules of discovery:

- (1) Those declared confidential by state statute.
- (2) Those declared confidential by rule adopted by a public agency under specific authority to classify public records as confidential granted to the public agency by statute.
- (3) Those required to be kept confidential by federal law.
- (4) Records containing trade secrets.
- (5) Confidential financial information obtained, upon request, from a person. However, this does not include information that is filed with or received by a public agency pursuant to state statute.
- (6) Information concerning research, including actual research documents, conducted under the auspices of a state educational institution, including information:
  - (A) concerning any negotiations made with respect to the research; and
  - (B) received from another party involved in the research.
- (7) Grade transcripts and license examination scores obtained as part of a licensure process.
- (8) Those declared confidential by or under rules adopted by the supreme court of Indiana.
- (9) Patient medical records and charts created by a provider, unless the patient gives written consent under IC 16-39 or as provided under IC 16-41-8.
- (10) Application information declared confidential by the Indiana economic development corporation under IC 5-28-16.
- (11) A photograph, a video recording, or an audio recording of an autopsy, except as provided in IC 36-2-14-10.
- (12) A Social Security number contained in the records of a public agency.

(13) The following information that is part of a foreclosure action subject to IC 32-30-10.5:

(A) Contact information for a debtor, as described in IC 32-30-10.5-8(d)(1)(B).

(B) Any document submitted to the court as part of the debtor's loss mitigation package under IC 32-30-10.5-10(a)(3).

(14) The following information obtained from a call made to a fraud hotline established under IC 36-1-8-8.5:

(A) The identity of any individual who makes a call to the fraud hotline.

(B) A report, transcript, audio recording, or other information concerning a call to the fraud hotline.

However, records described in this subdivision may be disclosed to a law enforcement agency, a private university police department, the attorney general, the inspector general, the state examiner, or a prosecuting attorney.

(b) Except as otherwise provided by subsection (a), the following public records shall be excepted from section 3 of this chapter at the discretion of a public agency:

(1) Investigatory records of law enforcement agencies or private university police departments. **For purposes of this chapter, a law enforcement recording is not an investigatory record.** Law enforcement agencies or private university police departments may share investigatory records with a person who advocates on behalf of a crime victim, including a victim advocate (as defined in IC 35-37-6-3.5) or a victim service provider (as defined in IC 35-37-6-5), for the purposes of providing services to a victim or describing services that may be available to a victim, without the law enforcement agency or private university police department losing its discretion to keep those records confidential from other records requesters. However, certain law enforcement records must be made available for inspection and copying as provided in section 5 of this chapter.

(2) The work product of an attorney representing, pursuant to state employment or an appointment by a public agency:

(A) a public agency;

(B) the state; or

(C) an individual.

(3) Test questions, scoring keys, and other examination data used in administering a licensing examination, examination for employment, or academic examination before the examination is given or if it is to be given again.

(4) Scores of tests if the person is identified by name and has not consented to the release of the person's scores.

(5) The following:

(A) Records relating to negotiations between:

(i) the Indiana economic development corporation;

(ii) the ports of Indiana;

(iii) the Indiana state department of agriculture;

(iv) the Indiana finance authority;

(v) an economic development commission;

(vi) a local economic development organization that is a nonprofit corporation established under state law whose primary purpose is the promotion of industrial or business development in Indiana, the retention or expansion of Indiana businesses, or the development of entrepreneurial activities in Indiana; or

(vii) a governing body of a political subdivision with industrial, research, or commercial prospects;

if the records are created while negotiations are in progress.

(B) Notwithstanding clause (A), the terms of the final offer of public financial resources communicated by the

Indiana economic development corporation, the ports of Indiana, the Indiana finance authority, an economic development commission, or a governing body of a political subdivision to an industrial, a research, or a commercial prospect shall be available for inspection and copying under section 3 of this chapter after negotiations with that prospect have terminated.

(C) When disclosing a final offer under clause (B), the Indiana economic development corporation shall certify that the information being disclosed accurately and completely represents the terms of the final offer.

(D) Notwithstanding clause (A), an incentive agreement with an incentive recipient shall be available for inspection and copying under section 3 of this chapter after the date the incentive recipient and the Indiana economic development corporation execute the incentive agreement regardless of whether negotiations are in progress with the recipient after that date regarding a modification or extension of the incentive agreement.

(6) Records that are intra-agency or interagency advisory or deliberative material, including material developed by a private contractor under a contract with a public agency, that are expressions of opinion or are of a speculative nature, and that are communicated for the purpose of decision making.

(7) Diaries, journals, or other personal notes serving as the functional equivalent of a diary or journal.

(8) Personnel files of public employees and files of applicants for public employment, except for:

(A) the name, compensation, job title, business address, business telephone number, job description, education and training background, previous work experience, or dates of first and last employment of present or former officers or employees of the agency;

(B) information relating to the status of any formal charges against the employee; and

(C) the factual basis for a disciplinary action in which final action has been taken and that resulted in the employee being suspended, demoted, or discharged.

However, all personnel file information shall be made available to the affected employee or the employee's representative. This subdivision does not apply to disclosure of personnel information generally on all employees or for groups of employees without the request being particularized by employee name.

(9) Minutes or records of hospital medical staff meetings.

(10) Administrative or technical information that would jeopardize a record keeping or security system.

(11) Computer programs, computer codes, computer filing systems, and other software that are owned by the public agency or entrusted to it and portions of electronic maps entrusted to a public agency by a utility.

(12) Records specifically prepared for discussion or developed during discussion in an executive session under IC 5-14-1.5-6.1. However, this subdivision does not apply to that information required to be available for inspection and copying under subdivision (8).

(13) The work product of the legislative services agency under personnel rules approved by the legislative council.

(14) The work product of individual members and the partisan staffs of the general assembly.

(15) The identity of a donor of a gift made to a public agency if:

(A) the donor requires nondisclosure of the donor's identity as a condition of making the gift; or

(B) after the gift is made, the donor or a member of the donor's family requests nondisclosure.

(16) Library or archival records:

(A) which can be used to identify any library patron; or

(B) deposited with or acquired by a library upon a condition that the records be disclosed only:

- (I) to qualified researchers;
- (ii) after the passing of a period of years that is specified in the documents under which the deposit or acquisition is made; or
- (iii) after the death of persons specified at the time of the acquisition or deposit.

However, nothing in this subdivision shall limit or affect contracts entered into by the Indiana state library pursuant to IC 4-1-6-8.

(17) The identity of any person who contacts the bureau of motor vehicles concerning the ability of a driver to operate a motor vehicle safely and the medical records and evaluations made by the bureau of motor vehicles staff or members of the driver licensing medical advisory board regarding the ability of a driver to operate a motor vehicle safely. However, upon written request to the commissioner of the bureau of motor vehicles, the driver must be given copies of the driver's medical records and evaluations.

(18) School safety and security measures, plans, and systems, including emergency preparedness plans developed under 511 IAC 6.1-2-2.5.

(19) A record or a part of a record, the public disclosure of which would have a reasonable likelihood of threatening public safety by exposing a vulnerability to terrorist attack. A record described under this subdivision includes **the following**:

(A) A record assembled, prepared, or maintained to prevent, mitigate, or respond to an act of terrorism under IC 35-47-12-1 or an act of agricultural terrorism under IC 35-47-12-2.

(B) Vulnerability assessments.

(c) Risk planning documents.

(D) Needs assessments.

(E) Threat assessments.

(F) Intelligence assessments.

(G) Domestic preparedness strategies.

(H) The location of community drinking water wells and surface water intakes.

(I) The emergency contact information of emergency responders and volunteers.

(J) Infrastructure records that disclose the configuration of critical systems such as communication, electrical, ventilation, water, and wastewater systems.

(K) Detailed drawings or specifications of structural elements, floor plans, and operating, utility, or security systems, whether in paper or electronic form, of any building or facility located on an airport (as defined in IC 8-21-1-1) that is owned, occupied, leased, or maintained by a public agency, **or any part of a law enforcement recording that captures information about airport security procedures, areas, or systems.** A record described in this clause may not be released for public inspection by any public agency without the prior approval of the public agency that owns, occupies, leases, or maintains the airport. **Both of the following apply to the public agency that owns, occupies, leases, or maintains the airport:**

(I) **The public agency** is responsible for determining whether the public disclosure of a record or a part of a record, **including a law enforcement recording**, has a reasonable likelihood of threatening public safety by exposing a **security procedure, area, system, or vulnerability to terrorist attack.** **and**

(ii) **The public agency** must identify a record described under item (I) and clearly mark the record as "confidential and not subject to public disclosure under IC 5-14-3-4(b)(19)(J) without approval of

(insert name of submitting public agency)". **and However, in the case of a law enforcement recording, the public agency must clearly mark the record as "confidential and not subject to public disclosure under IC 5-14-3-4(b)(19)(K) without approval of (insert name of the public agency that owns, occupies, leases, or maintains the airport)".**

(L) The home address, home telephone number, and emergency contact information for any:

(I) emergency management worker (as defined in IC 10-14-3-3);

(ii) public safety officer (as defined in IC 35-47-4.5-3);

(iii) emergency medical responder (as defined in IC 16-18-2-109.8); or

(iv) advanced emergency medical technician (as defined in IC 16-18-2-6.5).

This subdivision does not apply to a record or portion of a record pertaining to a location or structure owned or protected by a public agency in the event that an act of terrorism under IC 35-47-12-1 or an act of agricultural terrorism under IC 35-47-12-2 has occurred at that location or structure, unless release of the record or portion of the record would have a reasonable likelihood of threatening public safety by exposing a vulnerability of other locations or structures to terrorist attack.

(20) The following personal information concerning a customer of a municipally owned utility (as defined in IC 8-1-2-1):

(A) Telephone number.

(B) Address.

(c) Social Security number.

(21) The following personal information about a complainant contained in records of a law enforcement agency:

(A) Telephone number.

(B) The complainant's address. However, if the complainant's address is the location of the suspected crime, infraction, accident, or complaint reported, the address shall be made available for public inspection and copying.

(22) Notwithstanding subdivision (8)(A), the name, compensation, job title, business address, business telephone number, job description, education and training background, previous work experience, or dates of first employment of a law enforcement officer who is operating in an undercover capacity.

(23) Records requested by an offender that:

(A) contain personal information relating to:

(I) a correctional officer (as defined in IC 5-10-10-1.5);

(ii) a law enforcement officer (as defined in IC 35-31.5-2-185);

(iii) a judge (as defined in IC 33-38-12-3);

(iv) the victim of a crime; or

(v) a family member of a correctional officer, law enforcement officer (as defined in IC 35-31.5-2-185), judge (as defined in IC 33-38-12-3), or victim of a crime; or

(B) concern or could affect the security of a jail or correctional facility.

(24) Information concerning an individual less than eighteen (18) years of age who participates in a conference, meeting, program, or activity conducted or supervised by a state educational institution, including the following information regarding the individual or the individual's parent or guardian:

(A) Name.

(B) Address.



- (c) Telephone number.
- (D) Electronic mail account address.
- (25) Criminal intelligence information.
- (26) The following information contained in a report of unclaimed property under IC 32-34-1-26 or in a claim for unclaimed property under IC 32-34-1-36:
  - (A) Date of birth.
  - (B) Driver's license number.
  - (c) Taxpayer identification number.
  - (D) Employer identification number. ~~or~~
  - (E) Account number.

**(27) Except as provided in subdivision (19) and sections 5.1 and 5.2 of this chapter, a law enforcement recording. However, before disclosing the recording, the public agency must comply with the obscuring requirements of sections 5.1 and 5.2 of this chapter, if applicable.**

(c) Nothing contained in subsection (b) shall limit or affect the right of a person to inspect and copy a public record required or directed to be made by any statute or by any rule of a public agency.

(d) Notwithstanding any other law, a public record that is classified as confidential, other than a record concerning an adoption or patient medical records, shall be made available for inspection and copying seventy-five (75) years after the creation of that record.

(e) Only the content of a public record may form the basis for the adoption by any public agency of a rule or procedure creating an exception from disclosure under this section.

(f) Except as provided by law, a public agency may not adopt a rule or procedure that creates an exception from disclosure under this section based upon whether a public record is stored or accessed using paper, electronic media, magnetic media, optical media, or other information storage technology.

(g) Except as provided by law, a public agency may not adopt a rule or procedure nor impose any costs or liabilities that impede or restrict the reproduction or dissemination of any public record.

(h) Notwithstanding subsection (d) and section 7 of this chapter:

- (1) public records subject to IC 5-15 may be destroyed only in accordance with record retention schedules under IC 5-15; or
- (2) public records not subject to IC 5-15 may be destroyed in the ordinary course of business.

**SECTION 4. IC 5-14-3-5.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5.1. (a) As used in this section, "requestor" means the following:**

- (1) An individual who is depicted in a law enforcement recording.**
- (2) If the individual described in subdivision (1) is deceased:**
  - (A) the surviving spouse, father, mother, brother, sister, son, or daughter of the individual; or**
  - (B) the personal representative (as defined in IC 6-4.1-1-9) of or an attorney representing the deceased individual's estate.**
- (3) If the individual described in subdivision (1) is an incapacitated person (as defined in IC 29-3-1-7.5), the legal guardian, attorney, or attorney in fact of the incapacitated person.**
- (4) A person that is an owner, tenant, lessee, or occupant of real property, if the interior of the real property is depicted in the recording.**
- (5) A person who:**
  - (A) is the victim of a crime; or**
  - (B) suffers a loss due to personal injury or property damage;****if the events depicted in the law enforcement recording**

**are relevant to the person's loss or to the crime committed against the person.**

**(b) A public agency shall allow a requestor to inspect a law enforcement recording at least twice, if:**

- (1) the requestor submits a written request under section 3 of this chapter for inspection of the recording; and**
- (2) if section 4(b)(19) of this chapter applies, the public agency that owns, occupies, leases, or maintains the airport approves the disclosure of the recording.**

**The public agency shall allow the requestor to inspect the recording in the company of the requestor's attorney. A law enforcement recording may not be copied or recorded by the requestor or the requestor's attorney during an inspection.**

**(c) Before an inspection under subsection (b), the public agency:**

- (1) shall obscure in the recording information described in section 4(a) of this chapter; and**
- (2) may obscure any information identifying:**
  - (A) a law enforcement officer operating in an undercover capacity; or**
  - (B) a confidential informant.**

**(d) Before an inspection under subsection (b), only the information in the recording described in subsection (c) may be obscured by the public agency.**

**(e) If a person is denied access to inspect a recording under this section, the person may appeal the denial under section 9 of this chapter.**

**SECTION 5. IC 5-14-3-5.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5.2. (a) A public agency shall permit any person to inspect or copy a law enforcement recording unless one (1) or more of the following circumstances apply:**

- (1) Section 4(b)(19) of this chapter applies and the person has not demonstrated that the public agency that owns, occupies, leases, or maintains the airport approves the disclosure of the recording.**
- (2) The public agency finds, after due consideration of the facts of the particular case, that access to or dissemination of the recording:**
  - (A) creates a significant risk of substantial harm to any person or to the general public;**
  - (B) is likely to interfere with the ability of a person to receive a fair trial by creating prejudice or bias concerning the person or a claim or defense presented by the person;**
  - (c) may affect an ongoing investigation, if the recording is an investigatory record of a law enforcement agency as defined in section 2 of this chapter and notwithstanding its exclusion under section 4(b)(1) of this chapter; or**
  - (D) would not serve the public interest.**

**However, before permitting a person to inspect or copy the recording, the public agency must comply with the obscuring provisions of subsection (f), if applicable.**

**(b) If a public agency denies a person the opportunity to inspect or copy a law enforcement recording under subsection (a), the person may petition the circuit or superior court of the county in which the law enforcement recording was made for an order permitting inspection or copying of a law enforcement recording. The court shall review the decision of the public agency de novo and grant the order unless one (1) or more of the following apply:**

- (1) If section 4(b)(19) of this chapter applies, the petitioner fails to establish by a preponderance of the evidence that the public agency that owns, occupies, leases, or maintains the airport approves the disclosure of the recording.**
- (2) The public agency establishes by a preponderance**

of the evidence in light of the facts of the particular case, that access to or dissemination of the recording:

- (A) creates a significant risk of substantial harm to any person or to the general public;
- (B) is likely to interfere with the ability of a person to receive a fair trial by creating prejudice or bias concerning the person or a claim or defense presented by the person;
- (c) may affect an ongoing investigation, if the recording is an investigatory record of a law enforcement agency, as defined in section 2 of this chapter, notwithstanding its exclusion under section 4; or
- (D) would not serve the public interest.

(c) Notwithstanding section 9(I) of this chapter, a person that obtains an order for inspection of or to copy a law enforcement recording under this section may not be awarded attorney's fees, court costs, and other reasonable expenses of litigation. The penalty provisions of section 9.5 of this chapter do not apply to a petition filed under this section.

(d) If the court grants a petition for inspection of or to copy the law enforcement recording, the public agency shall disclose the recording. However, before disclosing the recording, the public agency must comply with the obscuring provisions of subsection (e), if applicable.

(e) A public agency that discloses a law enforcement recording under this section:

(1) shall obscure:

- (A) any information that is required to be obscured under section 4(a) of this chapter; and
- (B) depictions of:
  - (I) an individual's death or a dead body;
  - (ii) acts of severe violence that are against any individual who is clearly visible and that result in serious bodily injury (as defined in IC 35-31.5-2-292);
  - (iii) serious bodily injury (as defined in IC 35-31.5-2-292);
  - (iv) nudity (as defined in IC 35-49-1-5);
  - (v) an individual whom the public agency reasonably believes is less than eighteen (18) years of age;
  - (vi) personal medical information;
  - (vii) a victim of a crime, or any information identifying the victim of a crime, if the public agency finds that obscuring this information is necessary for the victim's safety; and
  - (viii) a witness to a crime or an individual who reports a crime, or any information identifying a witness to a crime or an individual who reports a crime, if the public agency finds that obscuring this information is necessary for safety of the witness or individual who reports a crime; and

(2) may obscure:

- (A) any information identifying:
  - (I) a law enforcement officer operating in an undercover capacity; or
  - (ii) a confidential informant; and
- (B) any information that the public agency may withhold from disclosure under section 4(b)(2) through 4(b)(26) of this chapter.

(f) A court shall expedite a proceeding filed under this section. Unless prevented by extraordinary circumstances, the court shall conduct a hearing (if required) and rule on a petition filed under this section not later than thirty (30) days after the date the petition is filed.

SECTION 6. IC 5-14-3-5.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5.3. (a) Except as provided in subsection (c), a public agency that is not the state or a

state agency shall retain an unaltered, unobscured law enforcement recording for at least one hundred ninety (190) days after the date of the recording.

(b) Except as provided in subsection (c), a public agency that is the state or a state agency shall retain an unaltered, unobscured law enforcement recording for at least two hundred eighty (280) days after the date of the recording.

(c) A public agency shall retain an unaltered, unobscured law enforcement recording for a period longer than the period described in subsections (a) and (b) if the following conditions are met:

(1) Except as provided in subdivision (3), if a person defined as a requestor as set forth in section 5.1(a) of this chapter notifies the public agency in writing not more than:

(A) one hundred eighty (180) days (if the public agency is not the state or a state agency); or

(B) two hundred seventy (270) days (if the public agency is the state or a state agency);

after the date of the recording that the recording is to be retained, the recording shall be retained for at least two (2) years after the date of the recording. The public agency may not request or require the person to provide a reason for the retention.

(2) Except as provided in subdivision (3), if a formal or informal complaint is filed with the public agency regarding a law enforcement activity depicted in the recording less than:

(A) one hundred eighty (180) days (if the public agency is not the state or a state agency); or

(B) two hundred seventy (270) days (if the public agency is the state or a state agency);

after the date of the recording, the public agency shall automatically retain the recording for at least two (2) years after the date of the recording.

(3) If a recording is used in a criminal, civil, or administrative proceeding, the public agency shall retain the recording until final disposition of all appeals and order from the court.

(d) The public agency may retain a recording for training purposes for any length of time.

SECTION 7. IC 5-14-3-8, AS AMENDED BY P.L.16-2008, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8. (a) For the purposes of this section, "state agency" has the meaning set forth in IC 4-13-1-1.

(b) Except as provided in this section, a public agency may not charge any fee under this chapter:

(1) to inspect a public record; or

(2) to search for, examine, or review a record to determine whether the record may be disclosed.

(c) The Indiana department of administration shall establish a uniform copying fee for the copying of one (1) page of a standard-sized document by state agencies. The fee may not exceed the average cost of copying records by state agencies or ten cents (\$0.10) per page, whichever is greater. A state agency may not collect more than the uniform copying fee for providing a copy of a public record. However, a state agency shall establish and collect a reasonable fee for copying nonstandard-sized documents.

(d) This subsection applies to a public agency that is not a state agency. The fiscal body (as defined in IC 36-1-2-6) of the public agency, or the governing body, if there is no fiscal body, shall establish a fee schedule for the certification or copying of documents. The fee for certification of documents may not exceed five dollars (\$5) per document. The fee for copying documents may not exceed the greater of:

(1) ten cents (\$0.10) per page for copies that are not color copies; or twenty-five cents (\$0.25) per page for color copies; or

(2) the actual cost to the agency of copying the document. As used in this subsection, "actual cost" means the cost of paper and the per-page cost for use of copying or facsimile equipment and does not include labor costs or overhead costs. A fee established under this subsection must be uniform throughout the public agency and uniform to all purchasers.

(e) If:

- (1) a person is entitled to a copy of a public record under this chapter; and
- (2) the public agency which is in possession of the record has reasonable access to a machine capable of reproducing the public record;

the public agency must provide at least one (1) copy of the public record to the person. However, if a public agency does not have reasonable access to a machine capable of reproducing the record or if the person cannot reproduce the record by use of enhanced access under section 3.5 of this chapter, the person is only entitled to inspect and manually transcribe the record. A public agency may require that the payment for copying costs be made in advance.

(f) Notwithstanding subsection (b), (c), (d), (g), (h), or (I), a public agency shall collect any certification, copying, facsimile machine transmission, or search fee that is specified by statute or is ordered by a court.

(g) Except as provided by subsection (h), for providing a duplicate of a computer tape, computer disc, microfilm, **law enforcement recording**, or similar or analogous record system containing information owned by the public agency or entrusted to it, a public agency may charge a fee, uniform to all purchasers, that does not exceed the sum of the following:

- (1) The agency's direct cost of supplying the information in that form. **However, the fee for a copy of a law enforcement recording may not exceed one hundred fifty dollars (\$150).**
- (2) The standard cost for selling the same information to the public in the form of a publication if the agency has published the information and made the publication available for sale.
- (3) In the case of the legislative services agency, a reasonable percentage of the agency's direct cost of maintaining the system in which the information is stored. However, the amount charged by the legislative services agency under this subdivision may not exceed the sum of the amounts it may charge under subdivisions (1) and (2).

(h) This subsection applies to the fee charged by a public agency for providing enhanced access to a public record. A public agency may charge any reasonable fee agreed on in the contract under section 3.5 of this chapter for providing enhanced access to public records.

(I) This subsection applies to the fee charged by a public agency for permitting a governmental entity to inspect public records by means of an electronic device. A public agency may charge any reasonable fee for the inspection of public records under this subsection, or the public agency may waive any fee for the inspection.

(j) Except as provided in subsection (k), a public agency may charge a fee, uniform to all purchasers, for providing an electronic map that is based upon a reasonable percentage of the agency's direct cost of maintaining, upgrading, and enhancing the electronic map and for the direct cost of supplying the electronic map in the form requested by the purchaser. If the public agency is within a political subdivision having a fiscal body, the fee is subject to the approval of the fiscal body of the political subdivision.

(k) The fee charged by a public agency under subsection (j) to cover costs for maintaining, upgrading, and enhancing an electronic map may be waived by the public agency if the electronic map for which the fee is charged will be used for a noncommercial purpose, including the following:

- (1) Public agency program support.

(2) Nonprofit activities.

(3) Journalism.

(4) Academic research.

**(I) This subsection does not apply to a state agency. A fee collected under subsection (g) for the copying of a law enforcement recording may be:**

**(1) retained by the public agency; and**

**(2) used without appropriation for one (1) or more of the following purposes:**

**(A) To purchase cameras and other equipment for use in connection with the agency's law enforcement recording program.**

**(B) For training concerning law enforcement recording.**

**(c) To defray the expenses of storing, producing, and copying law enforcement recordings.**

**Money from a fee described in this subsection does not revert to the local general fund at the end of a fiscal year.**

SECTION 8. IC 5-14-3-9, AS AMENDED BY P.L.248-2013, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 9. (a) This section does not apply to a request for information under section 4.4 of this chapter.

(b) A denial of disclosure by a public agency occurs when the person making the request is physically present in the office of the agency, makes the request by telephone, or requests enhanced access to a document and:

- (1) the person designated by the public agency as being responsible for public records release decisions refuses to permit inspection and copying of a public record when a request has been made; or
- (2) twenty-four (24) hours elapse after any employee of the public agency refuses to permit inspection and copying of a public record when a request has been made;

whichever occurs first.

(c) If a person requests by mail or by facsimile a copy or copies of a public record, a denial of disclosure does not occur until seven (7) days have elapsed from the date the public agency receives the request.

(d) If a request is made orally, either in person or by telephone, a public agency may deny the request orally. However, if a request initially is made in writing, by facsimile, or through enhanced access, or if an oral request that has been denied is renewed in writing or by facsimile, a public agency may deny the request if:

- (1) the denial is in writing or by facsimile; and
- (2) the denial includes:

(A) a statement of the specific exemption or exemptions authorizing the withholding of all or part of the public record; and

(B) the name and the title or position of the person responsible for the denial.

(e) A person who has been denied the right to inspect or copy a public record by a public agency may file an action in the circuit or superior court of the county in which the denial occurred to compel the public agency to permit the person to inspect and copy the public record. Whenever an action is filed under this subsection, the public agency must notify each person who supplied any part of the public record at issue:

- (1) that a request for release of the public record has been denied; and
- (2) whether the denial was in compliance with an informal inquiry response or advisory opinion of the public access counselor.

Such persons are entitled to intervene in any litigation that results from the denial. The person who has been denied the right to inspect or copy need not allege or prove any special damage different from that suffered by the public at large.

(f) The court shall determine the matter de novo, with the burden of proof on the public agency to sustain its denial. If the

issue in de novo review under this section is whether a public agency properly denied access to a public record because the record is exempted under section 4(a) of this chapter, the public agency meets its burden of proof under this subsection by establishing the content of the record with adequate specificity and not by relying on a conclusory statement or affidavit.

(g) **This subsection does not apply to an action under section 5.2 of this chapter.** If the issue in a de novo review under this section is whether a public agency properly denied access to a public record because the record is exempted under section 4(b) of this chapter:

(1) the public agency meets its burden of proof under this subsection by:

(A) proving that:

(i) **the record falls within any one (1) of the categories of exempted records under section 4(b) of this chapter; and**

(ii) **if the action is for denial of access to a recording under section 5.1 of this chapter, the plaintiff is not a "requestor" as that term is defined in section 5.1 of this chapter; and**

(B) establishing the content of the record with adequate specificity and not by relying on a conclusory statement or affidavit; and

(2) a person requesting access to a public record meets the person's burden of proof under this subsection by proving that the denial of access is arbitrary or capricious.

(h) The court may review the public record in camera to determine whether any part of it may be withheld under this chapter. However, if the complaint alleges that a public agency denied disclosure of a public record by redacting information in the public record, the court shall conduct an in camera inspection of the public record with the redacted information included.

(I) **Except as provided in subsection (k),** in any action filed under this section, a court shall award reasonable attorney's fees, court costs, and other reasonable expenses of litigation to the prevailing party if:

(1) the plaintiff substantially prevails; or

(2) the defendant substantially prevails and the court finds the action was frivolous or vexatious.

**Except as provided in subsection (k),** the plaintiff is not eligible for the awarding of attorney's fees, court costs, and other reasonable expenses if the plaintiff filed the action without first seeking and receiving an informal inquiry response or advisory opinion from the public access counselor, unless the plaintiff can show the filing of the action was necessary because the denial of access to a public record under this chapter would prevent the plaintiff from presenting that public record to a public agency preparing to act on a matter of relevance to the public record whose disclosure was denied.

(j) **Except as provided in subsection (k),** a court may assess a civil penalty under section 9.5 of this chapter only if the plaintiff obtained an advisory opinion from the public access counselor before filing an action under this section as set forth in section 9.5 of this chapter.

(k) **This subsection applies only to an action to appeal the denial of access to a law enforcement recording under section 5.1 of this chapter. A requestor (as defined in section 5.1 of this chapter) may bring an action to appeal from the denial of access to a law enforcement recording without first seeking or receiving an informal inquiry response or advisory opinion from the public access counselor. If the requestor prevails in an action under this subsection:**

(1) **the requestor is eligible for an award of reasonable attorney's fees, court costs, and other reasonable expenses; and**

(2) **a court may assess a civil penalty under section 9.5 of this chapter.**

(\*) (l) A court shall expedite the hearing of an action filed

under this section.

SECTION 9. IC 35-31.5-2-185.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 185.4. "Law enforcement recording device" means a camera or other device for creating audio, visual, or audiovisual recordings that is:**

(1) **provided to or used by a law enforcement officer in the scope of the officer's duties; and**

(2) **designed to be worn by a law enforcement officer or attached to the vehicle or transportation of a law enforcement officer.**

SECTION 10. IC 35-46-8.5-1, AS ADDED BY P.L.170-2014, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 1. (a) This section does not apply to any of the following:**

(1) **Electronic or video toll collection facilities or activities authorized under any of the following:**

(A) IC 8-15-2.

(B) IC 8-15-3.

(C) IC 8-15.5.

(D) IC 8-15.7.

(E) IC 8-16.

(F) IC 9-21-3.5.

(2) **A law enforcement officer who has obtained:**

(A) a search warrant; or

(B) the consent of the owner or private property; to place a camera or electronic surveillance equipment on private property.

(3) **A law enforcement officer who uses a law enforcement recording device in performance of the officer's duties.**

(b) A person who knowingly or intentionally places a camera or electronic surveillance equipment that records images or data of any kind while unattended on the private property of another person without the consent of the owner or tenant of the private property commits a Class A misdemeanor.

(Reference is to EHB 1019 as printed February 26, 2016.)

MAHAN

BRAY

LAWSON

TAYLOR

House Conferees

Senate Conferees

Roll Call 417: yeas 96, nays 0. Report adopted.

## CONFEREES AND ADVISORS APPOINTED

The Speaker announced the following changes in appointment of Representatives as conferees and advisors:

ESB 173 Conferees: Behning replacing Porter

## ACTION ON CONFERENCE COMMITTEE REPORTS

### CONFERENCE COMMITTEE REPORT

#### EHB 1156-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1156 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Page 3, delete lines 5 through 15, begin a new paragraph and insert:

"SECTION 2. IC 25-13-1-12.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 12.5. If a dental hygienist or a dental assistant determines that**

treatment of a patient would result in harm to the patient, dental hygienist, or dental assistant, the dental hygienist or dental assistant may request, and the supervising dentist may grant, a consultation between the dentist and the dental hygienist or the dental assistant to consult on the proper treatment plan for the patient to reduce the potential harm to the patient, dental hygienist, and dental assistant."

(Reference is to EHB 1156 as reprinted March 1, 2016.)

FRIZZELL	LEISING
SHACKLEFORD	BREAUX
House Conferees	Senate Conferees

Roll Call 418: yeas 95, nays 0. Report adopted.

Representatives T. Brown and Soliday are excused.

CONFERENCE COMMITTEE REPORT  
EHB 1161-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1161 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning pensions.

Delete everything after the enacting clause and insert the following:

SECTION 1. [EFFECTIVE JULY 1, 2016] (a) As used in this SECTION, "fund" refers to the Indiana state teachers' retirement fund established by IC 5-10.4-2-1.

(b) Not later than October 1, 2016, the fund shall pay the amount determined under subsection (c) to a member of the fund (or to a survivor or beneficiary of a member) who retired or was disabled on or before December 1, 2015, and who is entitled to receive a monthly benefit on July 1, 2016. The amount is not an increase in the pension portion of the monthly benefit.

(c) The amount paid under this SECTION to a member of the fund (or to a survivor or beneficiary of a member) who meets the requirements of subsection (b) is determined as follows:

If a Member's Creditable Service Is:	The Amount Is:
At least 5 years, but less than 10 years (only in the case of a member receiving disability retirement benefits)	\$150
At least 10 years, but less than 20 years	\$275
At least 20 years, but less than 30 years	\$375
At least 30 years	\$450

(d) The creditable service used to determine the amount paid to a member (or to a survivor or beneficiary of a member) under this SECTION is the creditable service that was used to compute the member's retirement benefit under IC 5-10.2-4-4, except that partial years of creditable service may not be used to determine the amount paid under this SECTION.

(e) If two (2) or more survivors or beneficiaries of a member are entitled to an amount paid under this SECTION, the amount shall be allocated to the survivors or beneficiaries in shares using the same percentages as the percentages determined under IC 5-10.2-3-7.5 or IC 5-10.4-4-10 to pay the monthly benefit to the survivors or beneficiaries.

(f) The fund may not use employer contributions to make the payments required under subsection (b) unless, and only to the extent that, the amounts necessary to make the payments required under subsection (b) exceed the amounts

appropriated in the state budget for the biennium beginning July 1, 2015, for the purposes described in subsection (b).

(g) This SECTION expires January 1, 2017.

SECTION 2. [EFFECTIVE JULY 1, 2016] (a) As used in this SECTION, "fund" refers to the public employees' retirement fund established by IC 5-10.3-2-1.

(b) Not later than October 1, 2016, the fund shall pay the amount determined under subsection (c) to a member of the fund (or to a survivor or beneficiary of a member) who retired or was disabled on or before December 1, 2015, and who is entitled to receive a monthly benefit on July 1, 2016. The amount is not an increase in the pension portion of the monthly benefit.

(c) The amount paid under this SECTION to a member of the fund (or to a survivor or beneficiary of a member) who meets the requirements of subsection (b) is determined as follows:

If a Member's Creditable Service Is:	The Amount Is:
At least 5 years, but less than 10 years (only in the case of a member receiving disability retirement benefits)	\$150
At least 10 years, but less than 20 years	\$275
At least 20 years, but less than 30 years	\$375
At least 30 years	\$450

(d) The creditable service used to determine the amount paid to a member (or to a survivor or beneficiary of a member) under this SECTION is the creditable service that was used to compute the member's retirement benefit under IC 5-10.2-4-4, except that partial years of creditable service may not be used to determine the amount paid under this SECTION.

(e) If two (2) or more survivors or beneficiaries of a member are entitled to an amount paid under this SECTION, the amount shall be allocated to the survivors or beneficiaries in shares using the same percentages as the percentages determined under IC 5-10.2-3-7.5 or IC 5-10.3-8-15 to pay the monthly benefit to the survivors or beneficiaries.

(f) The fund may not use employer contributions to make the payments required under subsection (b) unless, and only to the extent that, the amounts necessary to make the payments required under subsection (b) exceed the amounts appropriated in the state budget for the biennium beginning July 1, 2015, for the purposes described in subsection (b).

(g) This SECTION expires January 1, 2017.

SECTION 3. [EFFECTIVE JULY 1, 2016] (a) As used in this SECTION, "participant" has the meaning set forth in IC 5-10.5-5-1.

(b) As used in this SECTION, "plan" refers to the state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement plan created by IC 5-10.5-5-2.

(c) Not later than October 1, 2016, the board of trustees of the Indiana public retirement system established by IC 5-10.5-3-1 shall pay the amount determined under subsection (d) to a plan participant (or to a survivor or beneficiary of a plan participant) who retired or was disabled on or before December 1, 2015, and who is entitled to receive a monthly benefit on July 1, 2016. The amount is not an increase in the annual retirement allowance.

(d) The amount paid under this SECTION to a plan participant of the fund (or to a survivor or beneficiary of a plan participant) who meets the requirements of subsection (c) is determined as follows:

If a Plan Participant's Creditable Service Is:	The Amount Is:
At least 5 years, but less than 10 years (only in the case of a member receiving disability retirement benefits)	\$125
At least 10 years, but less than 20 years	\$235

At least 20 years, but less than 30 years      \$325  
At least 30 years      \$400

(e) The creditable service used to determine the amount paid to a plan participant (or to a survivor or beneficiary of a plan participant) under this SECTION is the creditable service that was used to compute the plan participant's retirement allowance under IC 5-10-5.5-10 and IC 5-10-5.5-12, except that partial years of creditable service may not be used to determine the amount paid under this SECTION.

(f) If two (2) or more survivors or beneficiaries of a plan participant are entitled to an amount paid under this SECTION, the amount shall be allocated to the survivors or beneficiaries in shares using the same percentages as the percentages determined under IC 5-10-5.5-16 to pay the monthly benefit to the survivors or beneficiaries.

(g) The board of trustees of the Indiana public retirement system established by IC 5-10.5-3-1 may not use employer contributions to make the payments required under subsection (c) unless, and only to the extent that, the amounts required to make the payments under subsection (c) exceed the appropriations in the state budget for the biennium beginning July 1, 2015, for the purposes described in subsection (c).

(h) This SECTION expires January 1, 2017.

SECTION 4. [EFFECTIVE JULY 1, 2016] (a) As used in this SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.

(b) As used in this SECTION, "trust fund" has the meaning set forth in IC 10-12-1-11.

(c) Not later than October 1, 2016, the trustee shall pay from the trust fund to each employee beneficiary of the state police pre-1987 benefit system covered by IC 10-12-3 who:

- (1) retired or was disabled before July 2, 2015; and
- (2) is entitled to receive a monthly benefit as of September 1, 2016;

an amount equal to one percent (1%) of the maximum basic annual pension amount payable to a retired state police employee in the grade of trooper who has completed twenty (20) years of service as of July 1, 2016, as calculated under IC 10-12-3-7.

(d) The amounts paid under this SECTION are not an increase in the monthly pension amount of an employee beneficiary.

(e) The trustee may not use employer contributions to make the payments required under subsection (c) unless, and only to the extent that, the amounts required to make the payments under subsection (c) exceed the appropriations in the state budget for the biennium beginning July 1, 2015, for the purposes described in subsection (c).

(f) This SECTION expires January 1, 2017.

SECTION 5. [EFFECTIVE JULY 1, 2016] (a) As used in this SECTION, "trustee" has the meaning set forth in IC 10-12-1-10.

(b) As used in this SECTION, "trust fund" has the meaning set forth in IC 10-12-1-11.

(c) Not later than October 1, 2016, the trustee shall pay from the trust fund to each employee beneficiary of the state police 1987 benefit system covered by IC 10-12-4 who:

- (1) retired or was disabled after June 30, 1987, and before July 2, 2015; and
- (2) is entitled to receive a monthly benefit as of September 1, 2016;

an amount equal to one percent (1%) of the maximum basic annual pension amount payable to a retired state police employee in the grade of trooper who has completed twenty-five (25) years of service as of July 1, 2016, as calculated under IC 10-12-4-7.

(d) The amount paid under this SECTION is not an increase in the monthly pension amount of an employee beneficiary.

(e) The trustee may not use employer contributions to make the payments required under subsection (c) unless, and only to the extent that, the amounts required to make the payments under subsection (c) exceed the appropriations in the state budget for the biennium beginning July 1, 2015, for the purposes described in subsection (c).

(f) This SECTION expires January 1, 2017.

(Reference is to EHB 1161 as printed February 26, 2016.)

GUTWEIN	BOOTS
NIEZGODSKI	TALLIAN
House Conferees	Senate Conferees

#### HOUSE MOTION

Mr. Speaker: Pursuant to House Rule 47, I request to be excused from voting on conference committee report 1 on Engrossed House Bill 1161. Pursuant to House Rule 46, the reason for the request is the following:

"I have a conflict of interest in that this legislative matter could reasonably be expected to have a unique, direct and substantial effect on my income, in that I am a recipient of the benefit which is addressed by the bill. I should be excused from voting to avoid the appearance of impropriety and to bolster the public trust."

AYLESWORTH

Motion prevailed.

#### HOUSE MOTION

Mr. Speaker: Pursuant to House Rule 47, I request to be excused from voting on conference committee report 1 on Engrossed House Bill 1161. Pursuant to House Rule 46, the reason for the request is the following:

"I have a duty to conduct my official duties in a manner that avoids the appearance of impropriety. I am a retired teacher and this matter will directly benefit me through the issuance of a thirteenth check."

BAUER

Motion prevailed.

#### HOUSE MOTION

Mr. Speaker: Pursuant to House Rule 47, I request to be excused from voting on conference committee report 1 on Engrossed House Bill 1161. Pursuant to House Rule 46, the reason for the request is the following:

"I have a duty to conduct my official duties in a manner that avoids the appearance of impropriety. I am a retired teacher and this matter will directly benefit me through the issuance of a thirteenth check."

KLINKER

Motion prevailed.

#### HOUSE MOTION

Mr. Speaker: Pursuant to House Rule 47, I request to be excused from voting on conference committee report 1 on Engrossed House Bill 1161. Pursuant to House Rule 46, the reason for the request is the following:

"I have a conflict of interest in that this legislative matter could reasonably be expected to have a unique, direct and substantial effect on my income, in that I am a recipient of the benefit which is addressed by the bill. I should be excused from voting to avoid the appearance of impropriety and to bolster the public trust."

RHOADS

Motion prevailed.

#### HOUSE MOTION

Mr. Speaker: Pursuant to House Rule 47, I request to be excused from voting on conference committee report 1 on

Engrossed House Bill 1161. Pursuant to House Rule 46, the reason for the request is the following:

"I have a conflict of interest in that this legislative matter could reasonably be expected to have a unique, direct and substantial effect on my income, in that I am a recipient of the benefit which is addressed by the bill. I should be excused from voting to avoid the appearance of impropriety and to bolster the public trust."

THOMPSON

Motion prevailed.

The question then was on adoption of conference committee report 1. Roll Call 419: yeas 88, nays 0. Report adopted.

Representative T. Brown, who had been excused, is now present.

#### CONFERENCE COMMITTEE REPORT EHB 1179-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1179 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 21-12-13-2, AS AMENDED BY P.L.2-2014, SECTION 92, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) This section applies to the following scholarship, stipend, and fee remission statutes:

- (1) IC 21-12-3.
- (2) IC 21-12-4.
- (3) IC 21-12-6.
- (4) IC 21-12-8.
- (5) IC 21-12-9.
- (6) IC 21-13-2.
- (7) IC 21-13-7.
- (8) IC 21-13-8.
- (9) IC 21-13-4.
- (10) IC 21-14-5.
- (11) IC 21-14-6-2.

(b) Except as provided in section 3 of this chapter and except for a stipend granted under IC 21-13-8 to an individual described in IC 21-13-8-1(b)(2)(B), a grant or reduction in tuition or fees, including all renewals and extensions, under any of the laws listed in subsection (a) may not exceed the number of terms that constitutes four (4) undergraduate academic years, as determined by the commission, and must be used within eight (8) years after the date the individual first applies and becomes eligible for benefits under the applicable law.

SECTION 2. IC 21-13-8-1, AS AMENDED BY HEA 1034-2016, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) **The Earline S. Rogers student teaching stipend for minority students is established.**

(b) An individual may apply for a stipend under this chapter if the individual:

- (1) is a minority student enrolled in an eligible institution;
- (2) will participate in:
  - (A) student teaching as part of the student's degree requirements; or
  - (B) a school administration internship as part of the student's graduate degree program;
- (3) has earned a cumulative grade point average:

(A) upon entering student teaching that:

~~(A)~~ (i) is required by an eligible institution for admission to the eligible institution's school of education; or

~~(B)~~ (ii) is at least a 2.0 on a 4.0 grading scale or its equivalent as determined by the eligible institution, if the eligible institution's school of education does not require a certain minimum cumulative grade point average; or

(B) upon beginning a school administration internship that is at least 3.0 on a 4.0 scale, or its equivalent as determined by the eligible institution;

(4) agrees, in writing, in the case of an individual entering student teaching, to apply for a teaching position at an accredited school in Indiana following the student's certification as a teacher, and, if hired, to teach for at least three (3) years; and

(5) meets any other minimum criteria established by the commission.

SECTION 3. IC 21-13-8-2, AS AMENDED BY HEA 1034-2016, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) A student who has applied for the stipend under section 1 of this chapter and has been approved by the commission may request payment of the stipend after demonstrating that the student will engage in student teaching or a school administration internship during the upcoming academic term. **The commission shall give priority to student teaching applicants when selecting applicants.**

(b) The stipend may not exceed four thousand dollars (\$4,000).

(c) The commission shall pay the stipend directly to the student.

SECTION 4. [EFFECTIVE UPON PASSAGE] (a) **With the approval of the governor and the budget agency, the amount appropriated by HEA 1001-2015 for the DISTRESSED UNIT APPEALS BOARD, Total Operating Expense, for the 2015-2017 biennium, may be augmented from unexpended appropriations to the department of education in an amount specified by the budget agency, but not to exceed five hundred thousand dollars (\$500,000).**

(b) A financial specialist selected under IC 6-1.1-20.3-6.9 for a school corporation may submit a request to the distressed unit appeal board for a grant to be provided to the school corporation under this SECTION to be used by the school corporation for capital improvements that are necessary to ensure that one (1) or more of the school corporation's school buildings remain open for educational instruction. The distressed unit appeal board shall specify the information that a school corporation must submit with the school corporation's request.

(c) If a financial specialist of a school corporation makes a request under subsection (b), the distressed unit appeal board may, after review by the budget committee, provide a grant to the school corporation for capital improvements described in subsection (b). The distressed unit appeal board shall specify the capital improvements described in subsection (b) for which the school corporation may spend the grant funds. A grant shall be paid from the amounts appropriated for the DISTRESSED UNIT APPEALS BOARD, Total Operating Expense, for the 2015-2017 biennium, as augmented under subsection (a). The amount of the grant may not exceed the amount by which the appropriation for the DISTRESSED UNIT APPEALS BOARD, Total Operating Expense, for the 2015-2017 biennium, is augmented under subsection (a).

(d) If the distressed unit appeal board provides a grant under this SECTION to a school corporation, the financial specialist for the school corporation shall after the end of each calendar quarter submit to the distressed unit appeal



**board the information requested by the distressed unit appeal board concerning the expenditure of the grant funds.**

**(e) This SECTION expires June 30, 2017.**

**SECTION 5. An emergency is declared for this act.**

(Reference is to EHB 1179 as printed February 26, 2016.)

BEHNING	KRUSE
HARRIS	ROGERS
House Conferees	Senate Conferees

Roll Call 420: yeas 95, nays 0. Report adopted.

Representatives Braun and Soliday, who had been excused, are now present. Representative Ziemke is excused.

#### CONFERENCE COMMITTEE REPORT EHB 1271-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1271 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

**SECTION 1. IC 31-9-2-0.8, AS ADDED BY P.L.80-2010, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:** Sec. 0.8. "Active duty", for purposes of IC 31-14-13-6.3, ~~and~~ IC 31-17-2-21.3, **IC 31-33-8-7, and IC 31-33-14-3,** means full-time service in:

(1) the armed forces of the United States (as defined in IC 5-9-4-3); or

(2) the National Guard (as defined in IC 5-9-4-4); for a period that exceeds thirty (30) consecutive days in a calendar year.

**SECTION 2. IC 31-33-8-7, AS AMENDED BY P.L.162-2011, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:** Sec. 7. (a) The department's assessment, to the extent that is reasonably possible, must include the following:

(1) The nature, extent, and cause of the known or suspected child abuse or neglect.

(2) The identity of the person allegedly responsible for the child abuse or neglect.

(3) The names and conditions of other children in the home.

(4) An evaluation of the parent, guardian, custodian, or person responsible for the care of the child.

(5) The home environment and the relationship of the child to the parent, guardian, or custodian or other persons responsible for the child's care.

(6) All other data considered pertinent.

(b) The assessment may include the following:

(1) A visit to the child's home.

(2) An interview with the subject child.

(3) A physical, psychological, or psychiatric examination of any child in the home.

(c) If:

(1) admission to the home, the school, or any other place that the child may be; or

(2) permission of the parent, guardian, custodian, or other persons responsible for the child for the physical, psychological, or psychiatric examination;

under subsection (b) cannot be obtained, the juvenile court, upon good cause shown, shall follow the procedures under IC 31-32-12.

(d) If a custodial parent, a guardian, or a custodian of a child refuses to allow the department to interview the child after the caseworker has attempted to obtain the consent of the custodial

parent, guardian, or custodian to interview the child, the department may petition a court to order the custodial parent, guardian, or custodian to make the child available to be interviewed by the caseworker.

(e) If the court finds that:

(1) a custodial parent, a guardian, or a custodian has been informed of the hearing on a petition described under subsection (d); and

(2) the department has made reasonable and unsuccessful efforts to obtain the consent of the custodial parent, guardian, or custodian to interview the child;

the court shall specify in the order the efforts the department made to obtain the consent of the custodial parent, guardian, or custodian and may grant the motion to interview the child, either with or without the custodial parent, guardian, or custodian being present.

**(f) If a parent, guardian, or custodian of a child who is the subject of a substantiated investigation of abuse or neglect is an active duty member of the military, the department shall notify the United States Department of Defense Family Advocacy Program of the assessment concerning the child of the active duty member of the military.**

**SECTION 3. IC 31-33-8-9, AS AMENDED BY P.L.131-2009, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:** Sec. 9. (a) The department's report under section 8 of this chapter shall be made available to:

(1) the appropriate court;

(2) the prosecuting attorney; ~~or~~

(3) the appropriate law enforcement agency; ~~or~~

**(4) the United States Department of Defense Family Advocacy Program, if a parent, guardian, or custodian of a child who is the subject of a substantiated investigation of abuse or neglect is an active duty member of the military;**

upon request.

(b) If child abuse or neglect is substantiated after an assessment is conducted under section 7 of this chapter, the department shall forward its report to the office of the prosecuting attorney having jurisdiction in the county in which the alleged child abuse or neglect occurred.

(c) If the assessment substantiates a finding of child abuse or neglect as determined by the department, a report shall be sent to the coordinator of the community child protection team under IC 31-33-3.

**SECTION 4. IC 31-33-14-3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:** Sec. 3. **If:**

**(1) the department determines that the best interests of the child require intervention by the department or action in the juvenile or criminal court; and**

**(2) a parent, guardian, or custodian of the child is an active duty member of the military, the department may seek the assistance of the United States Department of Defense Family Advocacy Program in determining and providing appropriate services for the child and family.**

(Reference is to EHB 1271 as reprinted February 19, 2016.)

ZENT	BANKS
SUMMERS	BREAUX
House Conferees	Senate Conferees

Roll Call 421: yeas 95, nays 0. Report adopted.

Representative Ziemke, who had been excused, is now present. Representative Sullivan is excused.

#### CONFERENCE COMMITTEE REPORT EHB 1272-1

Mr. Speaker: Your Conference Committee appointed to

confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1272 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 25-1-4-3, AS AMENDED BY HEA 1360-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) Notwithstanding any other law, a board that is specifically authorized or mandated to require continuing education as a condition to renew a registration, certification, or license must require a practitioner to comply with the following renewal requirements:

(1) The practitioner shall provide the board with a sworn statement executed by the practitioner that the practitioner has fulfilled the continuing education requirements required by the board, **after which the board will forward the sworn statement to the agency (established by IC 25-1-5-3).**

(2) The practitioner shall retain copies of certificates of completion for continuing education courses for three (3) years from the end of the licensing period for which the continuing education applied. The practitioner shall provide the board **or agency (established by IC 25-1-5-3)** with copies of the certificates of completion upon the board's **or agency's** request for a compliance audit.

(b) This subsection does not apply to an individual licensed under IC 25-34.1. Following every license renewal period, the **agency with consultation from the board** ~~shall~~ **may** randomly audit for compliance more than one percent (1%) but less than ten percent (10%) of the practitioners required to take continuing education courses.

(c) This subsection applies only to individuals licensed under IC 25-34.1. Following every license renewal period for a broker's license issued under IC 25-34.1, the agency in consultation with the board may randomly audit for compliance more than one percent (1%) but less than ten percent (10%) of the practitioners required to take continuing education courses.

SECTION 2. IC 25-1-4-3.2, AS AMENDED BY P.L.2-2008, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3.2. (a) A board or agency regulating a profession or occupation under this title or under IC 16 or IC 22 shall require that at least one-half (1/2) of all continuing education requirements must be allowed by distance learning methods, except for doctors, nurses, chiropractors, optometrists, and dentists.

(b) **An individual who is called to active duty (as defined by IC 25-1-12-2) must be allowed to fulfill all continuing education requirements for professional or occupational licenses administered through the Indiana professional licensing agency by distance learning methods.**

SECTION 3. IC 25-1-7-10, AS AMENDED BY P.L.227-2015, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 10. (a) Except as provided in section 3(b) or 3(c) of this chapter, all complaints and information pertaining to the complaints shall be held in strict confidence until the attorney general files notice with the board of the attorney general's intent to prosecute the licensee.

(b) A person in the employ of the office of attorney general, ~~or any of the boards, the Indiana professional licensing agency,~~ or any person not a party to the complaint may not disclose or further a disclosure of information concerning the complaint unless the disclosure is:

(1) required under law;

(2) required for the advancement of an investigation; or  
(3) made to a law enforcement agency that has jurisdiction or is reasonably believed to have jurisdiction over a person or matter involved in the complaint.

SECTION 4. IC 25-1-16-7, AS AMENDED BY P.L.112-2014, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 7. (a) The committee consists of the following individuals:

(1) The executive director of the agency or the executive director's designee. The executive director or the executive director's designee shall serve as chairperson of the committee.

(2) The director of the office or the director's designee.

(3) The attorney general or the attorney general's designee, as a nonvoting member.

(4) An individual appointed by the governor who represents an association that has small businesses, small business owners, or licensed professionals as a majority of its members. ~~as a nonvoting member.~~ The member serves at the pleasure of the governor.

(5) Two (2) individuals appointed by the governor who are licensed in a regulated occupation.

(6) Two (2) individuals appointed by the governor who are not licensed in a regulated occupation.

(b) The term of a member appointed under subsection (a)(5) or (a)(6) is three (3) years.

(c) The affirmative votes of a majority of the voting members appointed to the committee are required for the committee to take action on any measure.

(d) Notwithstanding any other law, the term of a member appointed before July 1, 2014, under subsection (a)(5) or (a)(6) expires on July 1, 2014.

SECTION 5. IC 25-2.1-5-8, AS AMENDED BY P.L.197-2011, SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8. (a) The board shall adopt rules that require as a condition to renew a permit under this chapter, that an applicant undergo, not more than once every three (3) years, a ~~quality review (before July 1, 2012) or peer review (after June 30, 2012)~~ conducted in a manner the board specifies.

(b) The rules adopted under subsection (a) must:

(1) be adopted reasonably in advance of the time when a ~~quality review (before July 1, 2012) or peer review (after June 30, 2012)~~ first becomes effective;

(2) include reasonable provision for compliance by an applicant showing that the applicant has in the preceding three (3) years undergone a ~~quality review (before July 1, 2012) or peer review (after June 30, 2012)~~ that is a satisfactory equivalent to the ~~quality review (before July 1, 2012) or peer review (after June 30, 2012)~~ required under this section;

(3) **require the firm to submit a copy of the results of its most recently accepted peer review to the board either directly or through the administering entity;**

~~(3) (4) require, with respect to quality reviews (before July 1, 2012) or peer reviews (after June 30, 2012) under subdivision (2), that the quality review (before July 1, 2012) or peer review (after June 30, 2012) be subject to review by an oversight body established or sanctioned by the board that shall:~~

(A) comply with IC 25-2.1-9-4; and

(B) periodically report to the board on the effectiveness of the review program and provide to the board a listing of firms that have participated in a ~~quality review (before July 1, 2012) or peer review (after June 30, 2012)~~ program; and

~~(4) (5) subject to section 9 of this chapter and IC 25-2.1-9-4, require, with respect to quality reviews (before July 1, 2012) or peer reviews (after June 30, 2012) under subdivision (2), that:~~

(A) the proceedings, records, and work papers of a review committee are privileged and are not subject to discovery, subpoena, or other means of legal process or introduction into evidence in a civil action, arbitration, administrative proceeding, or Indiana board of accountancy proceeding; and

(B) a member of the review committee or individual who was involved in the ~~quality review (before July 1, 2012)~~ or peer review ~~(after June 30, 2012)~~ process is not permitted or required to testify in a civil action, arbitration, administrative proceeding, or board proceeding to matters:

(i) produced, presented, disclosed or discussed during, or in connection with, the ~~quality review (before July 1, 2012)~~ or peer review ~~(after June 30, 2012)~~ process; or

(ii) that involve findings, recommendations, evaluations, opinions, or other actions of the committee or a committee member.

SECTION 6. IC 25-2.1-5-9, AS AMENDED BY P.L.197-2011, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 9. (a) Notwithstanding section ~~8(b)(4)(B)~~ **8(b)(5)(B)** of this chapter, information, documents, or records that are publicly available are not immune from discovery or use in any civil action, arbitration, administrative proceeding, or board proceeding merely because they were presented or considered in connection with the ~~quality review (before July 1, 2012)~~ or peer review ~~(after June 30, 2012)~~ process.

(b) Any:

(1) materials prepared in connection with a particular engagement merely because they happen to subsequently be presented or considered as part of the ~~quality review (before July 1, 2012)~~ or peer review ~~(after June 30, 2012)~~ process; or

(2) dispute between review committees and individuals or firms subject to a ~~quality review (before July 1, 2012)~~ or peer review ~~(after June 30, 2012)~~ arising from the performance of the ~~quality review (before July 1, 2012)~~ or peer review; ~~(after June 30, 2012)~~;

are not privileged.

SECTION 7. IC 25-22.5-13.2-1, AS ADDED BY P.L.126-2013, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. A facility that performs a mammography examination shall, if the patient is determined by the facility to have an amount of breast and connective tissue in comparison to fat in the breast, ~~that would require follow up care or testing~~; notify the patient of the determination. The notice required under this section must be included with a summary of the written mammography report.

SECTION 8. IC 25-27.5-5-2, AS AMENDED BY P.L.197-2011, SECTION 120, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. (a) A physician assistant must engage in a dependent practice with physician supervision. A physician assistant may perform, under the supervision of the supervising physician, the duties and responsibilities that are delegated by the supervising physician and that are within the supervising physician's scope of practice, including prescribing and dispensing drugs and medical devices. A patient may elect to be seen, examined, and treated by the supervising physician.

(b) If a physician assistant determines that a patient needs to be examined by a physician, the physician assistant shall immediately notify the supervising physician or physician designee.

(c) If a physician assistant notifies the supervising physician that the physician should examine a patient, the supervising physician shall:

(1) schedule an examination of the patient in a timely manner unless the patient declines; or

(2) arrange for another physician to examine the patient.

(d) If a patient is subsequently examined by the supervising physician or another physician because of circumstances described in subsection (b) or (c), the visit must be considered as part of the same encounter except for in the instance of a medically appropriate referral.

(e) A supervising physician or physician assistant who does not comply with subsections (b) through (d) is subject to discipline under IC 25-1-9.

(f) A physician assistant's supervisory agreement with a supervising physician must:

(1) be in writing;

(2) include all the tasks delegated to the physician assistant by the supervising physician;

(3) set forth the supervisory plans for the physician assistant, including the emergency procedures that the physician assistant must follow; and

(4) specify the ~~name of the drug or drug classification being delegated to the physician assistant and the protocol~~ the physician assistant shall follow in prescribing a drug.

(g) The physician shall submit the supervisory agreement to the board. The physician assistant may prescribe a drug under the supervisory agreement unless the board denies the supervisory agreement. Any amendment to the supervisory agreement must be resubmitted to the board, and the physician assistant may operate under any new prescriptive authority under the amended supervisory agreement unless the agreement has been denied by the board.

(h) A physician or a physician assistant who violates the supervisory agreement described in this section may be disciplined under IC 25-1-9.

SECTION 9. IC 25-35.6-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) There is established the speech-language pathology and audiology board.

(b) The board shall be comprised of six (6) members, who shall be appointed by the governor. Five (5) board members shall have been residents of this state for at least one (1) year immediately preceding their appointment and shall have been engaged in rendering services to the public, teaching, or research in speech-language pathology or audiology for at least five (5) years immediately preceding their appointment. At least two (2) board members shall be speech-language pathologists and at least two (2) shall be audiologists, with the fifth member being either a speech-language pathologist or audiologist. At least one (1) of these five (5) members must be engaged in an active private practice of speech-language pathology or audiology. The sixth member of the board, to represent the general public, shall be a resident of this state who has never been associated with speech-language pathology or audiology in any way other than as a consumer. Except for the member representing the general public, all board members shall at all times be holders of active and valid licenses for the practice of speech-language pathology or audiology in this state.

(c) The governor shall also appoint one (1) nonvoting advisor, who must be a licensed physician and board certified in otolaryngology, to serve a four (4) year term of office on the board.

(d) Appointments shall be for three (3) year terms, with no person being eligible to serve more than two (2) full consecutive terms. Terms shall begin on the first day of the calendar year and end on the last day of the calendar year, except for the first appointed members, who shall serve through the last calendar day of the year in which they are appointed before commencing the terms prescribed by this subsection. Any member of the board may serve until the member's successor is appointed and qualified under this chapter.

(e) The governor may consider, but shall not be bound to accept, recommendations for board membership made by a statewide association for speech-language and hearing. A statewide association for speech-language and hearing may

submit to the governor its recommendations for board membership not less than sixty (60) days before the end of each calendar year. In the event of a mid-term vacancy, such association may make recommendations for filling such vacancy.

(f) ~~The board shall meet during the first month of each calendar year to select a chairman and for other appropriate purposes. At least one (1) additional meeting shall be held before the end of each calendar year. At the first meeting of the board each year, members shall elect a chairperson for the subsequent twelve (12) month period.~~ Further meetings may be convened at the call of the ~~chairman~~ **chairperson** or the written request of any two (2) board members. All meetings of the board shall be open to the public, except that the board may hold closed sessions to prepare, approve, grade, or administer examinations or, upon request of an applicant who fails an examination, to prepare a response indicating any reason for ~~his~~ **the applicant's** failure. All meetings of the board must be held in Indiana.

(g) Four (4) members of the board constitute a quorum. A majority of the quorum may transact business.

SECTION 10. IC 35-31.5-2-321, AS AMENDED BY P.L.196-2013, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 321. "Synthetic drug" means:

(1) a substance containing one (1) or more of the following chemical compounds, including an analog of the compound:

- (A) JWH-015 ((2-Methyl-1-propyl-1H-indol-3-yl)-1-naphthalenylmethanone).
- (B) JWH-018 (1-pentyl-3-(1-naphthoyl)indole).
- (C) JWH-019 (1-hexyl-3-(naphthalen-1-oyl)indole).
- (D) JWH-073 (naphthalen-1-yl-(1-butyndiol-3-yl)methanone).
- (E) JWH-081 (4-methoxynaphthalen-1-yl-(1-pentylindol-3-yl)methanone).
- (F) J W H - 1 2 2 (1-Pentyl-3-(4-methyl-1-naphthoyl)indole).
- (G) JWH-200 ((1-(2-morpholin-4-ylethyl)indol-3-yl)-naphthalen-1-yl-methanone).
- (H) J W H - 2 5 0 (1-pentyl-3-(2-methoxyphenylacetyl)indole).
- (I) J W H - 2 5 1 (1-pentyl-3-(2-methylphenylacetyl)indole).
- (J) J W H - 3 9 8 (1-pentyl-3-(4-chloro-1-naphthoyl)indole).
- (K) HU-210 ((6aR,10aR)-9-(Hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo [c]chromen-1-ol).
- (L) HU-211 ((6aS,10aS)-9-(Hydroxymethyl)-6,6-dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo [c]chromen-1-ol).
- (M) HU-308 ((1R,2R,5R)-2-[2,6-dimethoxy-4-(2-methyloctan-2-yl)phenyl]-7,7-dimethyl-4-bicyclo[3.1.1]hept-3-enyl) methanol).
- (N) HU-331 (3-hydroxy-2-[(1R,6R)-3-methyl-6-(1-methylethenyl)-2-cyclohexen-1-yl]-5-pentyl-2,5-cyclohexadiene-1,4-dione).
- (O) CP 55,940 (2-[(1R,2R,5R)-5-hydroxy-2-(3-hydroxypropyl)cyclohexyl]-5-(2-methyloctan-2-yl)phenol).
- (P) CP 47,497 (2-[(1R,3S)-3-hydroxycyclohexyl]-5-(2-methyloctan-2-yl)phenol) and its homologues, or 2-[(1R,3S)-3-hydroxycyclohexyl]-5-(2-methyloctan-2-yl)phenol, where side chain n=5, and homologues where side chain n=4, 6, or 7.
- (Q) WIN 55212-2 ((R)-(+)-[2,3-Dihydro-5-methyl-3-(4-morpholinylmethyl) pyrrolo [1,2,3-de)- 1,4- benzoxazin-

- 6-yl]-1-naphthalenylmethanone).
- (R) RCS-4 ((4-methoxyphenyl)(1-pentyl-1H-indol-3-yl)methanone).
- (S) RCS-8 (1-(1-(2-cyclohexylethyl)-1H-indol-3-yl)-2-(2-methoxyphenyl)ethanone).
- (T) 4-Methylmethcathinone. Other name: mephedrone.
- (U) 3,4-Methylenedioxy-methcathinone. Other name: methylone.
- (V) Fluoromethcathinone.
- (W) 4-Methoxymethcathinone. Other name: methedrone.
- (X) 4-Ethylmethcathinone (4-EMC).
- (Y) Methylenedioxypropylvalerone. Other name: MDPV.
- (Z) J W H - 0 0 7 , o r 1-pentyl-2-methyl-3-(1-naphthoyl)indole.
- (AA) JWH-098, or 1-pentyl-2-methyl-3-(4-methoxy-1-naphthoyl)indole.
- (BB) JWH-164, or 1-pentyl-3-(7-methoxy-1-naphthoyl)indole.
- (C C) J W H - 2 1 0 , o r 1-pentyl-3-(4-ethyl-1-naphthoyl)indole.
- (DD) JWH-201, or 1-pentyl-3-(4-methoxyphenylacetyl)indole.
- (E E) J W H - 2 0 3 , o r 1-pentyl-3-(2-chlorophenylacetyl)indole.
- (FF) AM-694, or 1-(5-fluoropentyl)-3-(2-iodobenzoyl)indole.
- (GG) CP 50,556-1, or [(6S,6aR,9R,10aR)-9-hydroxy-6-methyl-3-[(2R)-5-phenylpe ntan-2-yl]oxy-5,6,6a,7,8,9,10,10a-octahydrophenanthridin-1-yl] acetate.
- (HH) Dimethylheptylpyran, or DMHP.
- (II) 4-Methyl-alpha-pyrrolidinobutiophenone, or MPBP.
- (JJ) 6-APB [6-(2-aminopropyl)benzofuran].
- (LL) 7-hydroxymitragynine.
- (MM) α-PPP [α-pyrrolidinopropiophenone].
- (NN) α-PVP (desmethylpyrovalerone).
- (OO) AM-251.
- (PP) AM-1241.
- (QQ) AM-2201.
- (RR) AM-2233.
- (SS) Buphedrone.
- (TT) Butylone.
- (UU) CP-47,497-C7.
- (VV) CP-47,497-C8.
- (WW) Desoxypipradol.
- (XX) Ethylone.
- (YY) Eutylone.
- (ZZ) Flephedrone.
- (AAA) JWH-011.
- (BBB) JWH-020.
- (CCC) JWH-022.
- (DDD) JWH-030.
- (EEE) JWH-182.
- (FFF) JWH-302.
- (GGG) MDAI [5,6-methylenedioxy-2-aminoindane].
- (HHH) Mitragynine.
- (III) Naphyrone.
- (JJJ) Pentadrone.
- (LLL) Pentylone.
- (MMM) Methoxetamine [2-(3-methoxyphenyl)-2-(ethylamino)-cyclohexanone].
- (N N N) A 7 9 6 , 2 6 0 [1-(2-morpholin-4-ylethyl)-1H-indol-3-yl]-2,2,3,3-tetramethylcyclopropylmethanone].
- (OOO) AB-001[(1s,3s)-admantan-1-yl](1-pentyl-1H-indol-3-yl)methanone] or [1-Pentyl-3-

(1-adamantoyl)indole].  
 (PPP) AM-356 [Methanandamide].  
 (QQQ) AM 1248 [1-[(1-methyl-2-piperidiny)methyl]-1H-indol-3-yl] tricyclo[3.3.1.1<sup>3,7</sup>]dec-1-yl-methanone] or [(1-[(N-methylpiperidin-2-yl)methyl]-3-(Adamant-1-yl)indole)].  
 (RRR) AM 2233 Azepane isomer [(2-iodophenyl)(1-(1-methylazepan-3-yl)-1H-indol-3-yl)methanone].  
 (SSS) CB-13 [1-Naphthalenyl 4-(pentyoxy)-1-naphthalenyl]methanone].  
 (TTT) UR-144 [(1-pentyl-1H-indol-3-yl)(2,2,3,3-tetramethylcyclopropyl)-methanone].  
 (UUU) URB 597 [(3'-(aminocarbonyl)[1,1'-biphenyl]-3-yl)-cyclohexylcarbamate].  
 (VVV) URB602 [[1,1'-biphenyl]-3-yl-carbamic acid, cyclohexyl ester].  
 (WWW) URB 754 [6-methyl-2-[(4-methylphenyl)amino]-1-benzoxazin-4-one].  
 (XXX) XLR-11 or 5-fluoro UR-144 (1-(5-fluoropentyl)-1H-indol-3-yl)(2,2,3,3-tetramethylcyclopropyl)methanone].  
 (YYY) AKB48 (Other names include: N-Adamantyl-1-pentyl-1H-Indazole-3-carboxamide; 1-pentyl-N-tricyclo[3.3.1.1<sup>3,7</sup>]dec-1-yl-1H-indazole-3-carboxamide).  
 (ZZZ) 25I-NBOMe (Other names include: 4-Iodo-2,5-dimethoxy-N-[(2-methoxyphenyl)methyl]-benzeneethanamine); 2-(4-iodo-2,5-dimethoxyphenyl)-N-[(2-methoxyphenyl)methyl]ethanamine).  
 (AAAA) 2C-C-NBOMe (Other names include: 2,5-C-N-B-O-M-e; 2-(4-chloro-2,5-dimethoxyphenyl)-N-[(2-methoxyphenyl)methyl]ethanamine; 2,5-Dimethoxy-4-chloro-N-(2-methoxybenzyl)phenethylamine).  
 (BBBB) 2NE-1 (Other names include: 1-Pentyl-3-(1-adamantylamido)indole).  
 (CCCC) STS-135 (Other names include: N-Adamantyl-1-fluoropentylindole-3-carboxamide (1-(5-fluoropentyl)-N-tricyclo[3.3.1.1<sup>3,7</sup>]dec-1-yl-1H-indole-3-carboxamide).  
 (DDDD) PB-22 (Other names include: 1-Pentyl-8-quinolinyl ester-1H-indole-2-carboxylic acid).  
 (EEEE) 5-Fluoro-PB-22 (Other names include: 1-(5-Fluoropentyl)-8-quinolinyl ester-1H-indole-3-carboxylic acid).  
 (FFFF) Benocyclidine (Other names include: BCP, BTCP, and Benzothiophenylcyclohexylpiperidine).  
 (GGGG) 25B-NBOMe (Other names include: 2C-B-NBOMe and 4-Bromo-2,5-dimethoxy-N-[(2-Methoxyphenyl)methyl]benzeneethanamine).  
 (HHHH) APB (Other names include: (2-Aminopropyl) Benzofuran).  
 (III) AB-PINACA (N-(1-Amino-3-methyl-1-oxobutan-2-yl)-1-pentyl-1H-indazole-3-carboxamide).  
 (JJJJ) AB-FUBINACA (N-(1-Amino-3-methyl-1-oxobutan-2-yl)-1-(4-fluorobenzyl)-1H-indazole-3-carboxamide).  
 (KKKK) ADB-PINACA (N-(1-Amino-3,3-dimethyl-1-oxobutan-2-yl)-1-pentyl-1H-indazole-3-carboxamide).  
 (LLLL) Fluoro ADBICA (N-(1-Amino-3,3-dimethyl-1-oxobutan-2-yl)-(fluoropentyl)-1H-indole-3-

carboxamide).

(MMMM) APDB (Other names include: -EMA, -Desoxy-MDA, and (2-Aminopropyl)-2,3-dihydrobenzofuran).

(NNNN) THJ-2201 (Other names include: AM2201 indazole analog, Fluoropentyl-JWH-018 indazole, and 5-Fluoro-THJ-018).

(OOOO) AM 2201 benzimidazole analog (Other names include: FUBIMINA, FTHJ, and (1-(5-fluoropentyl)-1H-benzo[d]imidazol-2-yl)(naphthalene-1-yl)methanone).

(PPPP) MN-25 (Other names include: 7-methoxy-1-[2-(4-morpholinyl)ethyl]-N-[1S, 2S, 4R]-1,3,3-trimethylbicyclo[2.2.1]hept-2-yl]-1H-indole-3-carboxamide and UR-12).

(QQQQ) FUB-PB-22 (Other names include: Quinolin-8-yl-1-(4-fluorobenzyl)-1H-indole-3-carboxylate).

(RRRR) FUD-PB-22 (Other names include: Naphthalen-1-yl-1-(4-fluorobenzyl)-1H-indole-3-carboxylate).

(SSSS) 5-Fluoro-AB-PINACA (Other names include: AB-PINACA 5-fluoro analog and N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(5-fluoropentyl)-1H-indazole-3-carboxamide).

(TTTT) 4-MePPP (Other names include: 4-methyl-alpha-pyrrolidinopropiophenone).

(UUUU) alpha-PBP (Other names include: Alpha-pyrrolidinobutiophenone).

(VVVV) AB-CHMINACA (Other names include: (N-[1-(aminocarbonyl)-2-methylpropyl]-1-(cyclohexylmethyl)-1H-indazole-3-carboxamide).

(WWWW) Acetyl fentanyl (Other names include: N-(1-phenethylpiperidin-4-yl)-N-phenylacetamide).  
 (2) Any compound structurally derived from 3-(1-naphthoyl)indole or 1H-indol-3-yl-(1-naphthyl)methane by substitution at the nitrogen atom of the indole ring by alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidiny)methyl, 2-(4-morpholinyl)ethyl, or 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, or tetrahydropyranylmethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent.

(3) Any compound structurally derived from 3-(1-naphthoyl) pyrrole by substitution at the nitrogen atom of the pyrrole ring by alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidiny)methyl, 2-(4-morpholinyl)ethyl, or 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, or tetrahydropyranylmethyl group, whether or not further substituted in the pyrrole ring to any extent and whether or not substituted in the naphthyl ring to any extent.

(4) Any compound structurally derived from 1-(1-naphthylmethyl)indene by substitution at the 3-position of the indene ring by alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidiny)methyl, 2-(4-morpholinyl)ethyl, or 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, or tetrahydropyranylmethyl group, whether or not further substituted in the indene ring to any extent and whether or not substituted in the naphthyl ring to any extent.

(5) Any compound structurally derived from 3-phenylacetylindole by substitution at the nitrogen atom of the indole ring with alkyl, haloalkyl, cyanoalkyl,

alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, or 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, or tetrahydropyranylmethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the phenyl ring to any extent.

(6) Any compound structurally derived from 2-(3-hydroxycyclohexyl)phenol by substitution at the 5-position of the phenolic ring by alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, or 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, or tetrahydropyranylmethyl group, whether or not substituted in the cyclohexyl ring to any extent.

(7) Any compound containing a 3-(benzoyl)indole structure with substitution at the nitrogen atom of the indole ring by alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, or 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, or tetrahydropyranylmethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the phenyl ring to any extent.

(8) Any compound, except bupropion or a compound listed under a different schedule, structurally derived from 2-aminopropan-1-one by substitution at the 1-position with either phenyl, naphthyl, or thiophene ring systems, whether or not the compound is further modified:

(A) by substitution in the ring system to any extent with alkyl, alkylendioxy, alkoxy, haloalkyl, hydroxyl, or halide substituents, whether or not further substituted in the ring system by one or more other univalent substituents;

(B) by substitution at the 3-position with an acyclic alkyl substituent;

(C) by substitution at the 2-amino nitrogen atom with alkyl, dialkyl, benzyl, or methoxybenzyl groups; or

(D) by inclusion of the 2-amino nitrogen atom in a cyclic structure.

(9) Any compound structurally derived from 3-tetramethyl cyclopropanoylindole with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, or tetrahydropyranylmethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the tetramethylcyclopropyl ring to any extent.

(10) Any compound containing a N-(1-adamantyl)-1H-indazole-3-carboxamide structure with substitution at the nitrogen atom of the indazole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, or tetrahydropyranylmethyl group, whether or not further substituted at the nitrogen atom of the carboxamide to any extent, whether or not further substituted in the indazole ring to any extent, and whether or not further substituted on the adamantyl ring system to any extent. An example of this structural class includes AKB48.

(11) Any compound containing a N-(1-adamantyl)-1H-indole-3-carboxamide structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl,

1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, or tetrahydropyranylmethyl group, whether or not further substituted at the nitrogen atom of the carboxamide to any extent, whether or not further substituted in the indole ring to any extent, and whether or not further substituted on the adamantyl ring system to any extent. An example of this structural class includes STS-135.

(12) Any compound containing a 3-(1-adamantoyl)indole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, or 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, or tetrahydropyranylmethyl group, whether or not further substituted on the adamantyl ring system to any extent. An example of this structural class includes AM-1248.

(13) Any compound determined to be a synthetic drug by rule adopted under IC 25-26-13-4.1.

SECTION 11. IC 35-48-2-4, AS AMENDED BY P.L.283-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) The controlled substances listed in this section are included in schedule I.

(b) Opiates. Any of the following opiates, including their isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, unless specifically excepted by rule of the board or unless listed in another schedule, whenever the existence of these isomers, esters, ethers, and salts is possible within the specific chemical designation:

Acetyl-alpha-methylfentanyl (N-[1-(1-methyl-2-phenethyl)-4-piperidinyl]-N-phenylacetamide) (9815)

Acetylmethadol (9601)

Allylprodine (9602)

Alpha-methylthiofentanyl (N-[1-methyl-2-(2-thienyl)ethyl-4-piperidinyl]-N-phenylpropanamide) (9832)

Alphacetylmethadol (9603)

Alphameprodine (9604)

Alphamethadol (9605)

Alphamethylfentanyl (9814)

Benzethidine (9606)

Beta-hydroxy-3-methylfentanyl (9831). Other name: N-[1-(2-hydroxy-2-phenethyl)-3-methyl-4-piperidinyl]-N-phenylpropanamide

Beta-hydroxyfentanyl (N-[1-(2-hydroxy-2-phenethyl)-4-piperidinyl]-N-phenylpropanamide) (9830)

Betacetylmethadol (9607)

Betameprodine (9608)

Betamethadol (9609)

Betaprodine (9611)

Clonitazene (9612)

Dextromoramide (9613)

Diampromide (9615)

Diethylthiambutene (9616)

Difenoxin (9168)

Dimenoxadol (9617)

Dimepheptanol (9618)

Dimethylthiambutene (9619)

Dioxaphetyl butyrate (9621)

Dipipanone (9622)

Ethylmethylthiambutene (9623)

Etonitazene (9624)

Etixeridine (9625)

Furethidine (9626)

Hydroxypethidine (9627)

Ketobemidone (9628)

Levomoramide (9629)  
 Levophenacylmorphan (9631)  
 3-Methylfentanyl [N-[3-methyl-1-(2-phenylethyl)-4-piperidyl]-N-phenyl-propanamide](9813)  
 3-Methylthiofentanyl (N-[(3-methyl-1-(2-thienyl)ethyl-4-piperidinyl)-N-phenylpropanamide) (9833)  
 MPPP (1-methyl-4-phenyl-4-propionoxypiperidine) (9961)  
 Morpheridine (9632)  
 N-[1-benzyl-4-piperidyl]-N-phenylpropanamide (benzylfentanyl), including any isomers, salts, or salts of isomers (9818)  
 N-[1-(2-thienyl)methyl-4-piperidyl]-N-phenylpropanamide (thienylfentanyl), including any isomers, salts, or salts of isomers (9834)  
 Noracymethadol (9633)  
 Norlevorphanol (9634)  
 Normethadone (9635)  
 Norpipanone (9636)  
 Para-fluorofentanyl (N-(4-fluorophenyl)-N-[1-(2-phenethyl)-4-piperidinyl] propanamide (9812)  
 Phenadoxone (9637)  
 Phenampromide (9638)  
 Phenomorphan (9647)  
 Phenoperidine (9641)  
 PEPAP [1-(2-phenethyl)-4-phenyl-4-acetoxypiperidine] (9663)  
 Piritramide (9642)  
 Proheptazine (9643)  
 Properidine (9644)  
 Propiram (9649)  
 Racemoramide (9645)  
 Thiofentanyl (N-phenyl-[1-(2-thienyl)ethyl-4-piperidinyl]-propanamide) (9835)  
 Tilidine (9750)  
 Trimeperidine (9646)

(c) Opium derivatives. Any of the following opium derivatives, their salts, isomers, and salts of isomers, unless specifically excepted by rule of the board or unless listed in another schedule, whenever the existence of these salts, isomers, and salts of isomers is possible within the specific chemical designation:

Acetorphine (9319)  
 Acetyldihydrocodeine (9051)  
 Benzylmorphine (9052)  
 Codeine methylbromide (9070)  
 Codeine-N-Oxide (9053)  
 Cyprenorphine (9054)  
 Desomorphine (9055)  
 Dihydromorphine (9145)  
 Droterbanol (9335)  
 Etorphine (except hydrochloride salt) (9056)  
 Heroin (9200)  
 Hydromorphanol (9301)  
 Methyl-desorphine (9302)  
 Methyl-dihydromorphine (9304)  
 Morphine methylbromide (9305)  
 Morphine methylsulfonate (9306)  
 Morphine-N-Oxide (9307)  
 Myrophine (9308)  
 Nicocodeine (9309)  
 Nicomorphine (9312)  
 Normorphine (9313)  
 Pholcodine (9314)  
 Thebacon (9315)

(d) Hallucinogenic substances. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following hallucinogenic, psychedelic, or psychogenic substances, their salts, isomers, and salts of isomers whenever

the existence of these salts, isomers, and salts of isomers is possible within the specific chemical designation (for purposes of this subsection only, the term "isomer" includes the optical, position, and geometric isomers):

- (1) 1-[1-(2-thienyl)cyclohexyl]pyrrolidine (7473). Other name: TCPy.
- (2) 4-Bromo-2, 5-Dimethoxyamphetamine (7391). Some trade or other names: 4-Bromo-2, 5-Dimethoxy-a-methylphenethylamine; 4-Bromo-2, 5-DMA.
- (3) 4-Bromo-2, 5-dimethoxyphenethylamine (7392). Some trade or other names: 2-[4-bromo-2,5-dimethoxyphenyl]-1-aminoethane; alpha-desmethyl DOB; 2C-B, Nexus.
- (4) 2, 5-Dimethoxy-4-ethylamphet-amine (7399). Other name: DOET.
- (5) 2, 5-Dimethoxy-4-(n)-propylthiophenethylamine (7348). Other name: 2C-T-7.
- (6) 2, 5-Dimethoxyamphetamine (7396). Some trade or other names: 2, 5-Dimethoxy-a-methylphenethylamine; 2, 5-DMA.
- (7) 4-Methoxyamphetamine (7411). Some trade or other names: 4-Methoxy-a-methylphenethylamine; Paramethoxyamphetamine; PMA.
- (8) 5-Methoxy-3, 4-methylenedioxy amphetamine (7401). Other Name: MDMA.
- (9) 5-Methoxy-N, N-diisopropyltryptamine, including any isomers, salts, or salts of isomers (7439). Other name: 5-MeO-DIPT.
- (10) 4-methyl-2, 5-dimethoxyamphetamine (7395). Some trade and other names: 4-methyl-2, 5-dimethoxy-a-methylphenethylamine; DOM; and STP.
- (11) 3, 4-methylenedioxy amphetamine (7400). Other name: MDA.
- (12) 3,4-methylenedioxy-N-ethylamphetamine (7404). Other names: N-ethyl-alpha-methyl-3,4(methylenedioxy) phenethylamine; N-ethyl MDA; MDE; and MDEA.
- (13) 3, 4-methylenedioxymethamphetamine (MDMA) (7405).
- (14) 3, 4, 5-trimethoxy amphetamine (7390). Other name: TMA.
- (15) Alpha-ethyltryptamine (7249). Some trade and other names: E tryptamine; M o n a s e ; [alpha]-ethyl-1H-indole-3-ethanamine; 3-(2-aminobutyl) indole; [alpha]-ET; and AET.
- (16) Alpha-methyltryptamine (7432). Other name: AMT.
- (17) Bufotenine (7433). Some trade and other names: 3-(B-Dimethylaminoethyl)-5-hydroxyindole; 3-(2-dimethylaminonethyl)-5-indolol; N, N-dimethylserotonin; 5-hydroxy-N, N-dimethyltryptamine; mappine.
- (18) Diethyltryptamine (7434). Some trade or other names: N, N-Diethyltryptamine; DET.
- (19) Dimethyltryptamine (7435). Some trade or other names: DMT.
- (20) Ibogaine (7260). Some trade and other names: 7-Ethyl-6, 6b, 7, 8, 9, 10, 12, 13-octahydro-2-methoxy-6, 9-methano-5H-pyrido (1', 2': 1, 2, azepino 4, 5-b) indole; tabernanthe iboga.
- (21) Lysergic acid diethylamide (7315). Other name: LSD.
- (22) Marijuana (7360).
- (23) Mescaline (7381).
- (24) Parahexyl (7374). Some trade or other names: 3-Hexyl-1-hydroxy-7, 8, 9, 10-Tetrahydro-6, 6, 9-trimethyl-6H-dibenzo (b,d) pyran; Snyhexyl.
- (25) Peyote (7415), including:
  - (A) all parts of the plant that are classified botanically as *lophophora williamsii* lemaire, whether growing or not;
  - (B) the seeds thereof;



- (C) any extract from any part of the plant; and
- (D) every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or extracts.

(26) N-ethyl-3-piperidyl benzilate (7482). Other name: DMZ.

(27) N-hydroxy-3,4-methylenedioxyamphetamine (7402). Other names: N-hydroxy-alpha-methyl-3,4

(methylenedioxy)phenethylamine; and N-hydroxy MDA.

(28) N-methyl-3-piperidyl benzilate (7484). Other name: LBJ.

(29) Psilocybin (7437).

(30) Psilocyn (7438).

(31) Tetrahydrocannabinols (7370), including synthetic equivalents of the substances contained in the plant, or in the resinous extractives of Cannabis, sp. and synthetic substances, derivatives, and their isomers with similar chemical structure and pharmacological activity such as:

(A)  $\pi^1$  cis or trans tetrahydrocannabinol, and their optical isomers;

(B)  $\pi^6$  cis or trans tetrahydrocannabinol, and their optical isomers; and

(C)  $\pi^3_4$  cis or trans tetrahydrocannabinol, and their optical isomers.

Since nomenclature of these substances is not internationally standardized, compounds of these structures, regardless of numerical designation of atomic positions are covered. Other name: THC.

(32) Ethylamine analog of phencyclidine (7455). Some trade or other names: N-Ethyl-1-phenylcyclohexylamine; (1-phenylcyclohexyl) ethylamine; N-(1-phenylcyclohexyl) ethylamine; cyclohexamine; PCE.

(33) Pyrrolidine analog of phencyclidine (7458). Some trade or other names: 1-(1-phenylcyclohexyl)-pyrrolidine; PCP; PHP.

(34) Thiophene analog of phencyclidine (7470). Some trade or other names: 1-(1-(2-thienyl) cyclohexyl) piperidine; 2-Thienyl Analog of Phencyclidine; TPCP.

~~(35) Synthetic drugs (as defined in IC 35-31.5-2-321).~~

~~(36) (35) Salvia divinorum or salvinorin A, including:~~

(A) all parts of the plant that are classified botanically as salvia divinorum, whether growing or not;

(B) the seeds of the plant;

(C) any extract from any part of the plant; and

(D) every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or extracts.

~~(37) (36) 5-Methoxy-N,N-Dimethyltryptamine. Some trade or other names: 5-methoxy-3-[2-(dimethylamino)ethyl]indole; 5-MeO-DMT.~~

~~(38) (37) 2-(2,5-Dimethoxy-4-ethylphenyl)ethanamine (2C-E).~~

~~(39) (38) 2-(2,5-Dimethoxy-4-methylphenyl)ethanamine (2C-D).~~

~~(40) (39) 2-(4-Chloro-2,5-dimethoxyphenyl) ethanamine (2C-C).~~

~~(41) (40) 2-(4-Iodo-2,5-dimethoxyphenyl) ethanamine (2C-I).~~

~~(42) (41) 2-[4-(Ethylthio)-2,5-dimethoxyphenyl] ethanamine (2C-T-2).~~

~~(43) (42) 2-[4-(Isopropylthio)-2,5-dimethoxyphenyl] ethanamine (2C-T-4).~~

~~(44) (43) 2-(2,5-Dimethoxyphenyl) ethanamine (2C-H).~~

~~(45) (44) 2-(2,5-Dimethoxy-4-nitro-phenyl) ethanamine (2C-N).~~

~~(46) (45) 2-(2,5-Dimethoxy-4-(n)-propylphenyl) ethanamine (2C-P).~~

(e) Depressants. Unless specifically excepted in a rule adopted by the board or unless listed in another schedule, any material, compound, mixture, or preparation which contains any

quantity of the following substances having a depressant effect on the central nervous system, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation:

Gamma-hydroxybutyric acid (other names include GHB; gamma-hydroxybutyrate; 4-hydroxybutanoic acid; sodium oxybate; sodium oxybutyrate) (2010)

Mecloqualone (2572)

Methaqualone (2565)

(f) Stimulants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation that contains any quantity of the following substances having a stimulant effect on the central nervous system, including its salts, isomers, and salts of isomers:

([+/-]) cis-4-methylaminorex (([+/-])cis-4,5-dihydro-4-methyl-5-phenyl-2-oxazolamine) (1590)

Aminorex (1585). Other names: aminoxaphen; 2-amino-5-phenyl-2-oxazoline; or

4,5-dihydro-5-phenyl-2-oxazolamine.

Cathinone (1235). Some trade or other names: 2-amino-1-phenyl-1-propanone; alpha-aminopropiophenone; 2-aminopropiophenone; and norephedrone.

Fenethylamine (1503).

N-Benzylpiperazine (7493). Other names: BZP; and 1-benzylpiperazine.

N-ethylamphetamine (1475).

Methcathinone (1237) Some other trade names: 2-Methylamino-1-Phenylpropan-1-one; Ephedrone; Monomethylpropion; UR 1431.

N, N-dimethylamphetamine (1480). Other names: N, N-alpha-trimethyl-benzeneethanamine; and N, N-alpha-trimethylphenethylamine.

**(g) Synthetic drugs as defined in IC 35-31.5-2-321.**

(Reference is to EHB 1272 as reprinted March 1, 2016.)

ZENT	L. BROWN
BAUER	RANDOLPH
House Conferees	Senate Conferees

Roll Call 422: yeas 95, nays 0. Report adopted.

## CONFEREES AND ADVISORS APPOINTED

The Speaker announced the following changes in appointment of Representatives as conferees and advisors

ESB 173 Conferees: Porter replacing Behning

Representative Sullivan, who had been excused, is now present. Representatives Frizzell and Porter are excused.

## ACTION ON CONFERENCE COMMITTEE REPORTS

### CONFERENCE COMMITTEE REPORT EHB 1298-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1298 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 36-4-3-1.5, AS AMENDED BY P.L.228-2015, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1.5. (a) For

purposes of this chapter, territory sought to be annexed may be considered "contiguous" only if at least one-eighth (1/8) of the aggregate external boundaries of the territory coincides with the boundaries of the annexing municipality. In determining if a territory is contiguous, a strip of land less than one hundred fifty (150) feet wide that connects the annexing municipality to the territory is not considered a part of the boundaries of either the municipality or the territory.

(b) This subsection applies to an annexation for which an annexation ordinance is adopted after June 30, 2015. A public highway or the rights-of-way of a public highway are contiguous to:

(1) the municipality; or  
 (2) property in the unincorporated area adjacent to the public highway or rights-of-way of a public highway; if the public highway or the rights-of-way of a public highway are contiguous under subsection (a) and one (1) of the requirements in subsection (c) is satisfied.

(c) A public highway or the rights-of-way of a public highway are not contiguous unless one (1) of the following requirements is met:

(1) The municipality obtains the written consent of the owners of all property:

(A) adjacent to the entire length of the part of the public highway and rights-of-way of the public highway that is being annexed; and

(B) not already within the corporate boundaries of the municipality.

A waiver of the right of remonstrance executed by a property owner or a successor in title of the property owner for sewer services or water services does not constitute written consent for purposes of this subdivision.

(2) All property adjacent to **at least one (1) side of** the entire length of the part of the public highway or rights-of-way of the public highway being annexed is already within the corporate boundaries of the municipality.

(3) All property adjacent to **at least one (1) side of** the entire length of the part of the public highway or rights-of-way of the public highway being annexed is part of the same annexation ordinance in which the public highway or rights-of-way of a public highway are being annexed.

A municipality may not annex a public highway or the rights-of-way of a public highway or annex territory adjacent to the public highway or rights-of-way of a public highway unless the requirements of this section are met.

SECTION 2. IC 36-4-3-1.7, AS ADDED BY P.L.228-2015, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1.7. (a) This section applies only to an annexation ordinance adopted after June 30, 2015. This section does not apply to an annexation under section 5.1 of this chapter.

(b) Not earlier than six (6) months before a municipality introduces an annexation ordinance, the municipality shall conduct an outreach program to inform citizens regarding the proposed annexation. **For an annexation under section 3 or 4 of this chapter**, the outreach program must conduct at least six (6) public information meetings regarding the proposed annexation. **For an annexation under section 5 of this chapter, the outreach program must conduct at least three (3) public information meetings regarding the proposed annexation.** The public information meetings must provide citizens with the following information:

(1) Maps showing the proposed boundaries of the annexation territory.

(2) Proposed plans for extension of capital and noncapital services in the annexation territory, including proposed dates of extension.

(3) Expected fiscal impact on taxpayers in the annexation

territory, including any increase in taxes and fees.

(c) The municipality shall provide notice of the dates, times, and locations of the outreach program meetings. The municipality shall publish the notice of the meetings under IC 5-3-1, including the date, time, and location of the meetings, except that notice must be published not later than thirty (30) days before the date of each meeting. The municipality shall also send notice to each owner of land within the annexation territory not later than thirty (30) days before the date of the first meeting of the outreach program. The notice to landowners shall be sent by first class mail, certified mail with return receipt requested, or any other means of delivery that includes a return receipt and must include the following information:

(1) The notice must inform the landowner that the municipality is proposing to annex territory that includes the landowner's property.

(2) The municipality is conducting an outreach program for the purpose of providing information to landowners and the public regarding the proposed annexation.

(3) The date, time, and location of the meetings to be conducted under the outreach program.

(d) The notice shall be sent to the address of the landowner as listed on the tax duplicate. If the municipality provides evidence that the notice was sent: ~~by:~~

(1) ~~by~~ certified mail, with return receipt requested or any other means of delivery that includes a return receipt; and

(2) in accordance with this section;

it is not necessary that the landowner accept receipt of the notice. If a remonstrance is filed under section 11 of this chapter, the municipality shall file with the court proof that notices were sent to landowners under this section and proof of publication.

(e) The notice required under this section is in addition to any notice required under sections 2.1 and 2.2 of this chapter.

SECTION 3. IC 36-4-3-4, AS AMENDED BY P.L.207-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The legislative body of a municipality may, by ordinance, annex any of the following:

(1) Territory that is contiguous to the municipality.

(2) Territory that is not contiguous to the municipality and is occupied by a municipally owned or operated as either of the following:

(A) An airport or landing field.

(B) A wastewater treatment facility or water treatment facility. After a municipality annexes territory under this clause, the municipality may annex additional territory to enlarge the territory for the use of the wastewater treatment facility or water treatment facility only if the county legislative body approves that use of the additional territory by ordinance.

(3) Territory that is not contiguous to the municipality but is found by the legislative body to be occupied by:

(A) a municipally owned or regulated sanitary landfill, golf course, or hospital; or

(B) a police station of the municipality.

However, if territory annexed under subdivision (2) or (3) ceases to be used for the purpose for which the territory was annexed for at least one (1) year, the territory reverts to the jurisdiction of the unit having jurisdiction before the annexation if the unit that had jurisdiction over the territory still exists. If the unit no longer exists, the territory reverts to the jurisdiction of the unit that would currently have jurisdiction over the territory if the annexation had not occurred. The clerk of the municipality shall notify the offices required to receive notice of a disannexation under section 19 of this chapter when the territory reverts to the jurisdiction of the unit having jurisdiction before the annexation. Territory that is annexed under subdivision (2) (including territory that is enlarged under subdivision (2)(B) for the use of the wastewater treatment

facility or water treatment facility) or subdivision (3) may not be considered a part of the municipality for purposes of annexing additional territory.

(b) This subsection applies to municipalities in a county having a ~~population any of the following populations:~~

- (1) More than seventy thousand fifty (70,050) but less than seventy-one thousand (71,000).
- (2) More than seventy-five thousand (75,000) but less than seventy-seven thousand (77,000).
- (3) More than seventy-one thousand (71,000) but less than seventy-five thousand (75,000).
- (4) More than forty-seven thousand (47,000) but less than forty-seven thousand five hundred (47,500).
- (5) More than thirty-eight thousand five hundred (38,500) but less than thirty-nine thousand (39,000).
- (6) More than thirty-seven thousand (37,000) but less than thirty-seven thousand one hundred twenty-five (37,125).
- (7) More than thirty-three thousand three hundred (33,300) but less than thirty-three thousand five hundred (33,500).
- (8) More than twenty-three thousand three hundred (23,300) but less than twenty-four thousand (24,000).
- (9) More than one hundred eighty-five thousand (185,000) but less than two hundred fifty thousand (250,000).
- (10) More than two hundred fifty thousand (250,000) but less than two hundred seventy thousand (270,000). ~~or~~
- (11) More than thirty-two thousand five hundred (32,500) but less than thirty-three thousand (33,000).
- (12) More than seventy-seven thousand (77,000) but less than eighty thousand (80,000).**

Except as provided in subsection (c), the legislative body of a municipality to which this subsection applies may, by ordinance, annex territory that is not contiguous to the municipality, has its entire area not more than two (2) miles from the municipality's boundary, is to be used for an industrial park containing one (1) or more businesses, and is either owned by the municipality or by a property owner who consents to the annexation. However, if territory annexed under this subsection is not used as an industrial park within five (5) years after the date of passage of the annexation ordinance, or if the territory ceases to be used as an industrial park for at least one (1) year, the territory reverts to the jurisdiction of the unit having jurisdiction before the annexation if the unit that had jurisdiction over the territory still exists. If the unit no longer exists, the territory reverts to the jurisdiction of the unit that would currently have jurisdiction over the territory if the annexation had not occurred. The clerk of the municipality shall notify the offices entitled to receive notice of a disannexation under section 19 of this chapter when the territory reverts to the jurisdiction of the unit having jurisdiction before the annexation.

(c) A city in a county with a population of more than two hundred fifty thousand (250,000) but less than two hundred seventy thousand (270,000) may not annex territory as prescribed in subsection (b) until the territory is zoned by the county for industrial purposes.

(d) Notwithstanding any other law, territory that is annexed under subsection (b) or (h) is not considered a part of the municipality for the purposes of:

- (1) annexing additional territory:
  - (A) in a county that is not described by clause (B); or
  - (B) in a county having a population of more than two hundred fifty thousand (250,000) but less than two hundred seventy thousand (270,000), unless the boundaries of the noncontiguous territory become contiguous to the city, as allowed by Indiana law;
- (2) expanding the municipality's extraterritorial jurisdictional area; or
- (3) changing an assigned service area under IC 8-1-2.3-6(1).

(e) As used in this section, "airport" and "landing field" have

the meanings prescribed by IC 8-22-1.

(f) As used in this section, "hospital" has the meaning prescribed by IC 16-18-2-179(b).

(g) An ordinance adopted under this section must assign the territory annexed by the ordinance to at least one (1) municipal legislative body district.

(h) This subsection applies to a city having a population of more than twenty-nine thousand nine hundred (29,900) but less than thirty-one thousand (31,000). The city legislative body may, by ordinance, annex territory that:

- (1) is not contiguous to the city;
- (2) has its entire area not more than eight (8) miles from the city's boundary;
- (3) does not extend more than:
  - (A) one and one-half (1 1/2) miles to the west;
  - (B) three-fourths (3/4) mile to the east;
  - (C) one-half (1/2) mile to the north; or
  - (D) one-half (1/2) mile to the south;
- of an interchange of an interstate highway (as designated by the federal highway authorities) and a state highway (as designated by the state highway authorities); and
- (4) is owned by the city or by a property owner that consents to the annexation.

SECTION 4. IC 36-4-3-11, AS AMENDED BY P.L.228-2015, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 11. (a) This subsection applies only to an annexation for which an annexation ordinance was adopted before July 1, 2015. Except as provided in section 5.1(i) of this chapter and subsections (e) and (f), whenever territory is annexed by a municipality under this chapter, the annexation may be appealed by filing with the circuit or superior court of a county in which the annexed territory is located a written remonstrance signed by:

- (1) at least sixty-five percent (65%) of the owners of land in the annexed territory; or
- (2) the owners of more than seventy-five percent (75%) in assessed valuation of the land in the annexed territory.

The remonstrance must be filed within ninety (90) days after the publication of the annexation ordinance under section 7 of this chapter, must be accompanied by a copy of that ordinance, and must state the reason why the annexation should not take place.

(b) This subsection applies only to an annexation for which an annexation ordinance was adopted before July 1, 2015. On receipt of the remonstrance, the court shall determine whether the remonstrance has the necessary signatures. In determining the total number of landowners of the annexed territory and whether signers of the remonstrance are landowners, the names appearing on the tax duplicate for that territory constitute prima facie evidence of ownership. Only one (1) person having an interest in each single property, as evidenced by the tax duplicate, is considered a landowner for purposes of this section.

(c) This subsection applies only to an annexation for which an annexation ordinance was adopted before July 1, 2015. If the court determines that the remonstrance is sufficient, the court shall fix a time, within sixty (60) days after the court's determination, for a hearing on the remonstrance. Notice of the proceedings, in the form of a summons, shall be served on the annexing municipality. The municipality is the defendant in the cause and shall appear and answer.

(d) This subsection applies only to an annexation for which an annexation ordinance was adopted after June 30, 2015. If the requirements of section 11.3(c) or (after December 31, 2016) section 11.4 of this chapter are met, the annexation may be appealed by filing with the circuit or superior court of a county in which the annexed territory is located:

- (1) the signed remonstrances filed with the county auditor;
- (2) the county auditor's certification under section ~~11.2(g)~~ **11.2(i)** of this chapter;
- (3) the annexation ordinance; and

- (4) a statement of the reason why the annexation should not take place.

The remonstrance must be filed with the court not later than fifteen (15) business days after the date the county auditor files the certificate with the legislative body under section ~~11.2(g)~~ **11.2(i)** of this chapter. After a remonstrance petition is filed with the court, any person who signed a remonstrance may file with the court a verified, written revocation of the person's opposition to the annexation.

(e) If an annexation is initiated by property owners under section 5.1 of this chapter and all property owners within the area to be annexed petition the municipality to be annexed, a remonstrance to the annexation may not be filed under this section.

(f) This subsection applies only to an annexation for which an annexation ordinance is adopted before July 1, 2015. This subsection applies if:

- (1) the territory to be annexed consists of not more than one hundred (100) parcels; and
- (2) eighty percent (80%) of the boundary of the territory proposed to be annexed is contiguous to the municipality.

An annexation may be appealed by filing with the circuit or superior court of a county in which the annexed territory is located a written remonstrance signed by at least seventy-five percent (75%) of the owners of land in the annexed territory as determined under subsection (b).

SECTION 5. IC 36-4-3-11.2, AS ADDED BY P.L.228-2015, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 11.2. (a) This section applies only to an annexation ordinance adopted after June 30, 2015.

(b) A remonstrance petition may be filed by an owner of real property that:

- (1) is within the area to be annexed; ~~and~~
- (2) was not exempt from property taxes under IC 6-1.1-10 or any other state law for the immediately preceding year; ~~and~~
- (3) is not subject to a valid waiver of remonstrance.**

(c) A remonstrance petition must comply with the following in order to be effective:

- (1) Each signature on a remonstrance petition must be dated, and the date of the signature may not be earlier than the date on which the remonstrance forms may be issued by the county auditor under subsection (e)(7).
- (2) Each person who signs a remonstrance petition must indicate the address of the real property owned by the person in the area to be annexed.
- (3) A remonstrance petition must be verified in compliance with subsection (e).

(d) The state board of accounts shall design the remonstrance forms to be used solely in the remonstrance process described in this section. The state board of accounts shall provide the forms to the county auditor in an electronic format that permits the county auditor to copy or reproduce the forms using:

- (1) the county auditor's own equipment; or
- (2) a commercial copying service.

The annexing municipality shall reimburse the county auditor for the cost of reproducing the remonstrance forms.

(e) The county auditor's office shall issue remonstrance forms accompanied by instructions detailing all of the following requirements:

- (1) The closing date for the remonstrance period.
- (2) Only one (1) person having an interest in each single property as evidenced by the tax duplicate is considered an owner of property and may sign a remonstrance petition. A person is entitled to sign a petition only one (1) time in a remonstrance process, regardless of whether the person owns more than one (1) parcel of real property.
- (3) An individual may not be:
  - (A) compensated for; or

(B) reimbursed for expenses incurred in; circulating a remonstrance petition and obtaining signatures.

(4) The remonstrance petition may be executed in several counterparts, the total of which constitutes the remonstrance petition. An affidavit of the person circulating a counterpart must be attached to the counterpart. The affidavit must state that each signature appearing on the counterpart was affixed in the person's presence and is the true and lawful signature of the signer. The affidavit must be notarized.

(5) A remonstrance petition that is not executed in counterparts must be verified by the person signing the petition in the manner prescribed by the state board of accounts and notarized.

(6) A remonstrance petition may be delivered to the county auditor's office in person or by:

- (A) certified mail, return receipt requested; or
- (B) any other means of delivery that includes a return receipt.

The remonstrance petition must be postmarked not later than the closing date for the remonstrance period.

(7) The county auditor's office may not issue a remonstrance petition earlier than the day that notice is published under section 11.1 of this chapter. The county auditor's office shall certify the date of issuance on each remonstrance petition. Any person may pick up additional copies of the remonstrance petition to distribute to other persons.

(8) A person who signs a remonstrance petition may withdraw the person's signature from a remonstrance petition before a remonstrance petition is filed with the county auditor by filing a verified request to remove the person's name from the remonstrance petition. Names may not be added to a remonstrance petition after the remonstrance petition is filed with the county auditor.

(f) The county auditor shall prepare and update weekly a list of the persons who have signed a remonstrance petition. The list must include a statement that the list includes all persons who have signed a remonstrance petition as of a particular date, and does not represent a list of persons certified by the county auditor as actual landowners in the annexation territory using the auditor's current tax records under subsection ~~(g)~~ **(i)**. The county auditor shall post the list in the office of the county auditor. The list is a public record under IC 5-14-3.

**(g) Not later than five (5) business days after receiving the remonstrance petition, the county auditor shall submit a copy of the remonstrance petition to the legislative body of the annexing municipality.**

**(h) Not later than fifteen (15) business days after the legislative body of the annexing municipality receives a copy of the remonstrance petition from the county auditor, the annexing municipality shall provide documentation to the county auditor regarding any valid waiver of the right of remonstrance that exists on the property within the annexation territory.**

~~(g)(i) Not later than fifteen (15) business days after receiving a remonstrance petition, the documentation regarding any valid waiver of the right of remonstrance from the annexing municipality under subsection (h), if any, the county auditor's office shall make a final determination of the number of owners of real property within the territory to be annexed:~~

- ~~(1) who signed the remonstrance; and~~
- ~~(2) whose property is not subject to a valid waiver of the right of remonstrance;~~

using the auditor's current tax records as provided in section 2.2 of this chapter. The county auditor shall file a certificate with the legislative body of the annexing municipality certifying the number of property owners not later than five (5) business days after making the determination.

SECTION 6. IC 36-4-3-13, AS AMENDED BY P.L.228-2015, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 13. (a) Except as provided in subsection (e), at the hearing under section 12 of this chapter, the court shall order a proposed annexation to take place if the following requirements are met:

- (1) The requirements of either subsection (b) or (c).
- (2) The requirements of subsection (d).
- (3) The requirements of subsection (i).

(b) The requirements of this subsection are met if the evidence establishes the following:

- (1) That the territory sought to be annexed is contiguous to the municipality.
- (2) One (1) of the following:
  - (A) The resident population density of the territory sought to be annexed is at least three (3) persons per acre.
  - (B) Sixty percent (60%) of the territory is subdivided.
  - (C) The territory is zoned for commercial, business, or industrial uses.

(c) The requirements of this subsection are met if the evidence establishes one (1) of the following:

- (1) That the territory sought to be annexed is:
  - (A) contiguous to the municipality as required by section 1.5 of this chapter, except that at least one-fourth (1/4), instead of one-eighth (1/8), of the aggregate external boundaries of the territory sought to be annexed must coincide with the boundaries of the municipality; and
  - (B) needed and can be used by the municipality for its development in the reasonably near future.

(2) This subdivision applies only to an annexation for which an annexation ordinance is adopted after December 31, 2016. That the territory sought to be annexed involves an economic development project and the requirements of section 11.4 of this chapter are met.

(d) The requirements of this subsection are met if the evidence establishes that the municipality has developed and adopted a written fiscal plan and has established a definite policy, by resolution of the legislative body as set forth in section 3.1 of this chapter. The fiscal plan must show the following:

- (1) The cost estimates of planned services to be furnished to the territory to be annexed. The plan must present itemized estimated costs for each municipal department or agency.
- (2) The method or methods of financing the planned services. The plan must explain how specific and detailed expenses will be funded and must indicate the taxes, grants, and other funding to be used.
- (3) The plan for the organization and extension of services. The plan must detail the specific services that will be provided and the dates the services will begin.
- (4) That planned services of a noncapital nature, including police protection, fire protection, street and road maintenance, and other noncapital services normally provided within the corporate boundaries, will be provided to the annexed territory within one (1) year after the effective date of annexation and that they will be provided in a manner equivalent in standard and scope to those noncapital services provided to areas within the corporate boundaries regardless of similar topography, patterns of land use, and population density.
- (5) That services of a capital improvement nature, including street construction, street lighting, sewer facilities, water facilities, and stormwater drainage facilities, will be provided to the annexed territory within three (3) years after the effective date of the annexation in the same manner as those services are provided to areas within the corporate boundaries, regardless of similar

topography, patterns of land use, and population density, and in a manner consistent with federal, state, and local laws, procedures, and planning criteria.

(6) This subdivision applies to a fiscal plan prepared after June 30, 2015. The estimated effect of the proposed annexation on taxpayers in each of the political subdivisions to which the proposed annexation applies, including the expected tax rates, tax levies, expenditure levels, service levels, and annual debt service payments in those political subdivisions for four (4) years after the effective date of the annexation.

(7) This subdivision applies to a fiscal plan prepared after June 30, 2015. The estimated effect the proposed annexation will have on municipal finances, specifically how municipal tax revenues will be affected by the annexation for four (4) years after the effective date of the annexation.

(8) This subdivision applies to a fiscal plan prepared after June 30, 2015. Any estimated effects on political subdivisions in the county that are not part of the annexation and on taxpayers located in those political subdivisions for four (4) years after the effective date of the annexation.

(9) This subdivision applies to a fiscal plan prepared after June 30, 2015. A list of all parcels of property in the annexation territory and the following information regarding each parcel:

- (A) The name of the owner of the parcel.
- (B) The parcel identification number.
- (C) The most recent assessed value of the parcel.
- (D) The existence of a known waiver of the right to remonstrate on the parcel. This clause applies only to a fiscal plan prepared after June 30, 2016.**

(e) At the hearing under section 12 of this chapter, the court shall do the following:

(1) Consider evidence on the conditions listed in subdivision (2).

(2) Order a proposed annexation not to take place if the court finds that all of the following conditions that are applicable to the annexation exist in the territory proposed to be annexed:

(A) This clause applies only to an annexation for which an annexation ordinance was adopted before July 1, 2015. The following services are adequately furnished by a provider other than the municipality seeking the annexation:

- (i) Police and fire protection.
- (ii) Street and road maintenance.

(B) The annexation will have a significant financial impact on the residents or owners of land. The court may not consider:

- (i) the personal finances; or
- (ii) the business finances;

of a resident or owner of land. The personal and business financial records of the residents or owners of land, including state, federal, and local income tax returns, may not be subject to a subpoena or discovery proceedings.

(C) The annexation is not in the best interests of the owners of land in the territory proposed to be annexed as set forth in subsection (f).

(D) This clause applies only to an annexation for which an annexation ordinance is adopted before July 1, 2015. One (1) of the following opposes the annexation:

- (i) At least sixty-five percent (65%) of the owners of land in the territory proposed to be annexed.
- (ii) The owners of more than seventy-five percent (75%) in assessed valuation of the land in the territory proposed to be annexed.

Evidence of opposition may be expressed by any owner of land in the territory proposed to be annexed.

(E) This clause applies only to an annexation for which an annexation ordinance is adopted after June 30, 2015.

One (1) of the following opposes the annexation:

(i) At least fifty-one percent (51%) of the owners of land in the territory proposed to be annexed.

(ii) The owners of more than sixty percent (60%) in assessed valuation of the land in the territory proposed to be annexed.

The remonstrance petitions filed with the court under section 11 of this chapter are evidence of the number of owners of land that oppose the annexation, minus any written revocations of remonstrances that are filed with the court under section 11 of this chapter.

(F) This clause applies only to an annexation for which an annexation ordinance is adopted before July 1, 2015. This clause applies only to an annexation in which eighty percent (80%) of the boundary of the territory proposed to be annexed is contiguous to the municipality and the territory consists of not more than one hundred (100) parcels. At least seventy-five percent (75%) of the owners of land in the territory proposed to be annexed oppose the annexation as determined under section 11(b) of this chapter.

(f) The municipality under subsection (e)(2)(C) bears the burden of proving that the annexation is in the best interests of the owners of land in the territory proposed to be annexed. In determining this issue, the court may consider whether the municipality has extended sewer or water services to the entire territory to be annexed:

(1) within the three (3) years preceding the date of the introduction of the annexation ordinance; or

(2) under a contract in lieu of annexation entered into under IC 36-4-3-21.

The court may not consider the provision of water services as a result of an order by the Indiana utility regulatory commission to constitute the provision of water services to the territory to be annexed.

(g) The most recent:

(1) federal decennial census;

(2) federal special census;

(3) special tabulation; or

(4) corrected population count;

shall be used as evidence of resident population density for purposes of subsection (b)(2)(A), but this evidence may be rebutted by other evidence of population density.

(h) A municipality that prepares a fiscal plan after June 30, 2015, must comply with this subsection. A municipality may not amend the fiscal plan after the date that a remonstrance is filed with the court under section 11 of this chapter, unless amendment of the fiscal plan is consented to by at least sixty-five percent (65%) of the persons who signed the remonstrance petition.

(i) The municipality must submit proof that the municipality has complied with:

(A) the outreach program requirements and notice requirements of section 1.7 of this chapter; and

(B) the requirements of section 11.1 of this chapter.

#### SECTION 7. **An emergency is declared for this act.**

(Reference is to EHB 1298 as reprinted February 23, 2016.)

NEGELE

BRAY

ERRINGTON

BRODEN

House Conferees

Senate Conferees

Roll Call 423: yeas 92, nays 2. Report adopted.

Representatives Frizzell and Porter, who had been excused, are now present.

## CONFERENCE COMMITTEE REPORT

EHB 1372-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill 1372 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 5-4-1-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 0.5. As used in this chapter, "contractor" means an individual or entity that:**

**(1) enters into a contractual relationship with a city, town, county, or township;**

**(2) has a fiduciary relationship with or performs a fiscal responsibility for the city, town, county, or township; and**

**(3) is not insured, for purposes of the individual's or entity's accounts, by the Federal Deposit Insurance Corporation.**

SECTION 2. IC 5-4-1-5.1, AS AMENDED BY P.L.230-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 5.1. (a) "Political subdivision" as used in this section has the meaning set forth in IC 36-1-2-13 and excludes any department or agency of the state.**

**(b) Every elected or appointed officer, official, deputy, employee, or contractor of a political subdivision who is required by section 18 of this chapter to file an official bond for the faithful performance of duty, except the county recorder and deputies and employees of the recorder, shall file the bond with the fiscal officer of the political subdivision and in the office of the county recorder in the county of ~~residence~~ **office or employment** of the officer, official, deputy, ~~or~~ **employee, or contractor**. The county recorder and deputies and employees of the recorder shall file their bonds with the county auditor and in the office of the clerk of the circuit court.**

**(c) The bonds described in subsection (b) shall be filed within ten (10) days of their issuance or, if approval is required, within ten (10) days after their approval by the person required to approve the bonds. The recorder shall record all of the bonds filed under this section, indexing them alphabetically under the name of the principal and referring to the title, office, and page number where recorded. The bonds shall be kept in a safe and convenient place in the recorder's office with a reference to the date filed and record and page where recorded.**

**(d) Every county officer who is required to give bond shall have a copy of the oath of office recorded with the bond.**

**(e) The fiscal officer of a political subdivision with whom an official bond is filed under subsection (b) shall file a copy of the bond with the state board of accounts:**

**(1) contemporaneously with the filing of the political subdivision's annual financial report required under IC 5-11-1-4(a); and**

**(2) electronically in the manner prescribed under IC 5-14-3.8-7.**

**(f) The state board of accounts shall maintain a data base of bonds received under this section and make the data base available to the public on the state board of accounts Internet web site. To the extent practicable, the data base must include a list that specifies:**

**(1) every individual who is required by section 18 of this chapter to file; and**

**(2) whether each individual specified under subdivision (1) has obtained and filed;**

an official bond for the faithful performance of duty.

SECTION 3. IC 5-4-1-18, AS AMENDED BY HEA 1035-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 18. (a) Except as provided in ~~subsection~~ **subsections (b), (c), and (d)**, the following individuals shall file and maintain in place an individual surety bond during each year that the individual serves as an officer, employee, or contractor:

- (1) City judges, controllers, clerks, and clerk-treasurers.
- (2) Town judges and clerk-treasurers.
- (3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks.
- (4) Township trustees.
- (5) Those employees directed to file an individual bond by the fiscal body of a city, town, or county.
- (6) Township assessors (if any).
- (7) Individuals:

(A) who are employees or contractors of a city, town, county, or township; and

(B) whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds:

(I) that belong to the federal government, the state, a political subdivision, or another governmental entity; and

**(ii) in an amount that exceeds five thousand dollars (\$5,000) per year.**

(b) The fiscal body of a city, town, county, or township may by ordinance authorize the purchase of a blanket bond that:

- (1) is endorsed to include faithful performance to cover the faithful performance of; and
- (2) includes aggregate coverage sufficient to provide coverage amounts specified for;

all employees, commission members, and persons acting on behalf of the local government unit, including the officers, employees, and contractors described in subsection (a) who are required to file a bond under this chapter.

**(c) The fiscal body of a city, town, or county may by ordinance or the fiscal body of a township may by resolution authorize the purchase of a name or position schedule bond that:**

- (1) names each individual or each position covered under the schedule bond;**
- (2) is endorsed to include faithful performance to cover the faithful performance of all officers, employees, and contractors described in subsection (a) who are required to file a bond under this chapter; and**
- (3) includes aggregate coverage sufficient to provide coverage amounts specified for all officers, employees, and contractors described in subsection (a) who are required to file a bond under this chapter.**

**(e) (d)** The fiscal body of a city, town, county, or township may by ordinance (or for a township, by resolution) authorize the purchase of a crime insurance policy that:

- (1) provides coverage for criminal acts or omissions committed by;
- (2) is endorsed to include faithful performance to cover the faithful performance of; and**
- (3) includes aggregate coverage sufficient to provide coverage amounts specified for;**

all officers, employees, contractors, commission members, and persons acting on behalf of the local government unit **and required to file a bond under this chapter.** For the sole purpose of recovering public funds on behalf of a local government unit, the state is considered to be an additional named insured on all crime insurance policies **and endorsements** obtained under this subsection.

**(f) (e)** Except as provided in subsections **(j) and (k) and (l)**, the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town

clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

(1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).

(2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee.

County auditors shall file bonds in amounts of not less than thirty thousand dollars (\$30,000), as fixed by the fiscal body of the county.

**(f) (f)** The amount of the bond of a person who is not specified in subsection **(d) (e)** and is required to file an individual bond shall be fixed by the fiscal body of the unit as follows:

(1) If the person is not described in subsection (a)(7), at not less than fifteen thousand dollars (\$15,000).

(2) If the person is described in subsection (a)(7), at not less than five thousand dollars (\$5,000).

**(g) (g)** Except as provided in subsection **(d) (m)**, a controller of a solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal) shall file an individual surety bond in an amount:

(1) fixed by the board of directors of the solid waste management district; and

(2) that is at least thirty thousand dollars (\$30,000).

**(h) (h)** Except as provided under subsection **(f) (g)**, a person who is required to file an individual surety bond by the board of directors of a solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal) shall file a bond in an amount fixed by the board of directors.

**(i) (i)** In 1982 and every four (4) years after that, the state examiner shall review the bond amounts fixed under this section and report in an electronic format under IC 5-14-6 to the general assembly whether changes are necessary to ensure adequate and economical coverage.

**(j) (j)** The commissioner of insurance ~~shall~~ **may** prescribe the form of the bonds or crime insurance policies required by this section, in consultation with the state board of accounts and the Indiana archives and records administration under IC 5-15-5.1-6. **However**, a bond or crime insurance policy that does not conform to ~~the a~~ form prescribed under this subsection may ~~not~~ be used to meet the requirements of this chapter.

**(k) (k)** Notwithstanding subsection **(d) (e)**, the state board of accounts may fix the amount of the bond for a city controller, city clerk-treasurer, town clerk-treasurer, Barrett Law fund custodian, county treasurer, county sheriff, circuit court clerk, township trustee, or conservancy district financial clerk at an amount that exceeds thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond. However, the bond amount may not exceed three hundred thousand dollars (\$300,000). An increased bond amount may be established under this subsection only if the state examiner issues a report under IC 5-11-5-1 that includes a finding that the officer engaged in malfeasance, misfeasance, or nonfeasance that resulted in the misappropriation of, diversion of, or inability to account for public funds.

**(l) (l)** Notwithstanding subsection **(e) (f)**, the state board of accounts may fix the amount of the bond for any person who is described in:

(1) subsection **(e) (f) (1)** and is required to file an individual bond at an amount that exceeds fifteen thousand dollars (\$15,000); or

(2) subsection **(e) (f) (2)** and is required to file an individual bond at an amount that exceeds five thousand



dollars (\$5,000).

An increased bond amount may be established under this subsection only if the state examiner issues a report under IC 5-11-5-1 that includes a finding that the person engaged in malfeasance, misfeasance, or nonfeasance that resulted in the misappropriation of, diversion of, or inability to account for public funds.

~~(f)~~ **(m)** Notwithstanding subsection ~~(f)~~, **(g)**, the state board of accounts may fix the amount of the bond for a controller of a solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal) at an amount that exceeds thirty thousand dollars (\$30,000). An increased bond amount may be established under this subsection only if the state examiner issues a report under IC 5-11-5-1 that includes a finding that the controller engaged in malfeasance, misfeasance, or nonfeasance that resulted in the misappropriation of, diversion of, or inability to account for public funds.

~~(m)~~ **(n)** Both of The following apply to a bond that is filed to comply with this section:

(1) Each bond must ~~have a term of~~ **provide coverage in the amount required for the individual covered under the bond for one (1) year (the policy year)** commencing on the first day of the:

- (A) calendar year;
- (B) fiscal year of the political subdivision or governmental unit; or
- (C) individual's service in the office ~~employment~~, or ~~contracted~~ position for which a bond is required.

~~(2) Consecutive yearly bonds filed by an individual must provide separate coverage for each year. A continuous bond may be used to satisfy the requirement of subdivision (1) if the bond:~~

- (A) is renewed on an annual basis for the period during which the individual serves in the office or position for which a bond is required; and**
- (B) provides coverage in the amount required for the individual covered under the bond for each policy year.**

**However, any claim under a continuous bond used under this subdivision must be brought not later than six (6) years after the occurrence giving rise to the claim.**

**(3) The maximum aggregate liability of the surety or insurer for a single policy year is the penal sum of the bond. In the case of a continuous bond, the maximum aggregate liability of the surety or insurer for the entire term that the bond is in effect is the penal sum of the amounts specified in the bonds issued by the surety or insurer for that policy year: bond for the current term of the bond and the penal sums of the bond for the five (5) immediately preceding years.**

SECTION 4. IC 5-4-1-19, AS AMENDED BY P.L.126-2012, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 19. The bonds prescribed by IC 5-4-1-18 cover the faithful performance of the duties of the officer, ~~or employee, or contractor~~, including the duty to comply with IC 35-44.1-1-1 and the duty to account properly for all monies and property received by virtue of the officer's, ~~position or employment:~~ **employee's, or contractor's service in the office or position.**

SECTION 5. IC 5-11-5-1, AS AMENDED BY P.L.181-2015, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) Whenever an examination is made under this article, a report of the examination shall be made. The report must include a list of findings and shall be signed and verified by the examiner making the examination. A finding that is critical of an examined entity must be based upon one (1) of the following:

(1) Failure of the entity to observe a uniform compliance guideline established under IC 5-11-1-24(a).

(2) Failure of the entity to comply with a specific law.

A report that includes a finding that is critical of an examined entity must designate the uniform compliance guideline or the specific law upon which the finding is based. The reports shall immediately be filed with the state examiner, and, after inspection of the report, the state examiner shall immediately file one (1) copy with the officer or person examined, one (1) copy with the auditing department of the municipality examined and reported upon (if the subject of the report is a municipality), and one (1) copy in an electronic format under IC 5-14-6 with the legislative services agency, as staff to the audit committee and the general assembly. Upon filing, the report becomes a part of the public records of the office of the state examiner, of the office or the person examined, of the auditing department of the municipality examined and reported upon, and of the legislative services agency, as staff to the audit committee and the general assembly. A report is open to public inspection at all reasonable times after it is filed. If an examination discloses malfeasance, misfeasance, or nonfeasance in office or of any officer or employee, a copy of the report, signed and verified, shall be placed by the state examiner with the attorney general and the inspector general. The attorney general shall diligently institute and prosecute civil proceedings against the delinquent officer, or upon the officer's official bond, or both, and against any other proper person that will secure to the state or to the proper municipality the recovery of any funds misappropriated, diverted, or unaccounted for.

(b) Before an examination report is signed, verified, and filed as required by subsection (a), the officer or the chief executive officer of the state office, municipality, or entity examined must have an opportunity to review the report and to file with the state examiner a written response to that report. If a written response is filed, it becomes a part of the examination report that is signed, verified, and filed as required by subsection (a). As part of the review of the examination report, the state examiner shall hold a gathering of the officer or chief executive officer of the state office, municipality, or entity examined, any employees or agents of the state office, municipality, or entity examined who are requested to attend by the officer or chief executive officer of the state office, municipality, or entity examined, and the members of the legislative and fiscal bodies of the municipality or entity examined. Such a gathering is referred to as an "exit conference" for purposes of this subsection. The following apply to an exit conference:

(1) All information discussed and materials presented or delivered by any person during an exit conference are confidential and may not be discussed or shared publicly until the earliest of the occurrences set forth in subsection (g). However, the information discussed and materials presented or delivered during an exit conference may be shared with an officer, employee, consultant, adviser, or attorney of the officer or chief executive officer of the state office, municipality, or entity examined who was not present at the exit conference. An individual with whom information and materials are shared must maintain the confidentiality of the information and materials as provided in this subdivision until the earliest of the occurrences set forth in subsection (g).

(2) An individual attending an exit conference may not electronically record the exit conference.

(3) If a majority of a governing body (as defined in IC 5-14-1.5-2(b)) is present during an exit conference, the governing body shall be considered in an executive session under IC 5-14-1.5. However, the governing body has no obligation to give notice as prescribed by IC 5-14-1.5-5 when it participates in the exit conference.

(4) If the state examiner determines after the exit conference that additional actions must be undertaken by a deputy examiner, field examiner, or private examiner with respect to information discussed or materials

presented at the exit conference, the state examiner may call for an additional exit conference to be held.

(5) Not more than thirty (30) days after the initial exit conference is held under this subsection, the legislative body of the municipality or entity examined and reported upon may adopt a resolution, approved by at least a two-thirds (2/3) vote of the legislative body, requesting that an additional exit conference be held. The legislative body shall notify the state board of accounts if the legislative body adopts a resolution under this subdivision. If a legislative body adopts a resolution under this subdivision, the state board of accounts shall conduct an additional exit conference not more than sixty (60) days after the state board of accounts receives notice of the adoption of the resolution. The municipality or entity examined must pay the travel and staff costs incurred by the state board of accounts in conducting an additional exit conference under this subdivision.

(6) **Except as provided in subdivision (7), a final report under subsection (a) may not be issued earlier than forty-five (45) days after the initial exit conference is held under this subsection.**

**(7) If:**

**(A) the state examiner does not call for an additional exit conference to be held as described in subdivision (4); and**

**(B) the:**

**(i) legislative body of the municipality or entity examined and reported upon provides written notice to the state examiner that the legislative body waives an additional exit conference described in subdivision (5); or**

**(ii) state examiner determines that a final report under subsection (a) must be issued as soon as possible;**

**the final report may be issued earlier than forty-five (45) days after the initial exit conference is held under this subsection.**

(c) Except as provided by subsections (b), (d), and (e), it is unlawful for any person, before an examination report is made public as provided by this section, to make any disclosure of the result of any examination of any public account, except:

- (1) to the state examiner;
- (2) if directed to give publicity to the examination report by the state examiner or by any court;
- (3) to another deputy examiner, field examiner, or private examiner engaged in conducting the examination; or
- (4) if directed by the state examiner, to the chair of the audit committee or the members of the audit committee acting in executive session, or both.

If an examination report shows or discloses the commission of a crime by any person, it is the duty of the state examiner to transmit and present the examination report to the prosecuting attorney of the county in which the crime was committed. The state examiner shall furnish to the prosecuting attorney all evidence at the state examiner's command necessary in the investigation and prosecution of the crime.

(d) If, during an examination under this article, a deputy examiner, field examiner, or private examiner acting as an agent of the state examiner determines that the following conditions are satisfied, the examiner shall report the determination to the state examiner:

- (1) A substantial amount of public funds has been misappropriated or diverted.
- (2) The deputy examiner, field examiner, or private examiner acting as an agent of the state examiner has a reasonable belief that the malfeasance or misfeasance that resulted in the misappropriation or diversion of the public funds was committed by the officer or an employee of the office.

(e) After receiving a preliminary report under subsection (d), the state examiner may provide a copy of the report to the attorney general. The attorney general may institute and prosecute civil proceedings against the delinquent officer or employee, or upon the officer's or employee's official bond, or both, and against any other proper person that will secure to the state or to the proper municipality the recovery of any funds misappropriated, diverted, or unaccounted for.

(f) In an action under subsection (e), the attorney general may attach the defendant's property under IC 34-25-2.

(g) Except as permitted in this section, the information and materials that are part of an exit conference under subsection (b) and the results of an examination, including a preliminary report under subsection (d), are confidential until the occurrence of the earliest of the following:

- (1) The final report is made public under subsection (a).
- (2) The results of the examination are publicized under subsection (c)(2).
- (3) The attorney general institutes an action under subsection (e) on the basis of the preliminary report.

(h) Except as permitted in this section, an individual, a public agency (as defined in IC 5-14-3-2), a public employee, a public official, or an employee or officer of a contractor or subcontractor of a public agency that knowingly or intentionally discloses information in violation of subsection (b) or (g), regardless of whether the information is received orally or by any other means, is subject to the following:

- (1) A public agency (as defined in IC 5-14-3-2), a public employee, a public official, or an employee or officer of a contractor or subcontractor of a public agency commits a Class A infraction under IC 5-14-3-10.
- (2) If the disclosure is by a person who is not described in subdivision (1), the person commits a Class A infraction.

(I) Unless in accordance with a judicial order or as otherwise provided in this section, the state board of accounts or its employees, former employees, counsel, or agents, or any other person may not divulge the examination workpapers and investigation records of a deputy examiner, a field examiner, or a private examiner acting as an agent of the state examiner, except to:

- (1) employees and members of the state board of accounts;
- (2) the audit committee;
- (3) law enforcement officers, the attorney general, a prosecuting attorney, or any other legal representative of the state in any action with respect to the misappropriation or diversion of public funds; or
- (4) an authorized representative of the United States.

**(j) An individual described in subsection (i)(3) or (i)(4) who receives examination workpapers and investigation records described in subsection (i) may divulge the workpapers and records in any action with respect to the misappropriation or diversion of public funds.**

SECTION 6. IC 5-13-10.5-18, AS AMENDED BY P.L.213-2015, SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 18. (a) As used in this section, "capital improvement board" refers to a capital improvement board established under IC 36-10-9.

(b) To qualify for an investment under this section, the capital improvement board must apply to the treasurer of state in the form and manner required by the treasurer. As part of the application, the capital improvement board shall submit a plan for its use of the investment proceeds and for the repayment of the capital improvement board's obligation to the treasurer. Within sixty (60) days after receipt of each application, the treasurer shall consider the application and review its accuracy and completeness.

(c) If the capital improvement board makes an application under subsection (b) and the treasurer approves the accuracy and completeness of the application and determines that there is an adequate method of payment for the capital improvement

board's obligations, the treasurer of state shall invest or reinvest funds that are held by the treasurer and that are available for investment in obligations issued by the capital improvement board for the purposes of the capital improvement board in calendar years 2009, 2010, and 2011. The investment may not exceed nine million dollars (\$9,000,000) per calendar year for 2009, 2010, and 2011.

(d) The treasurer of state shall determine the terms of each investment and the capital improvement board's obligation, which must include the following:

- (1) Subject to subsections (f) and (g), the duration of the capital improvement board's obligation, which must be for a term of ten (10) years with an option for the capital improvement board to pay its obligation to the treasurer early without penalty.
- (2) Subject to subsections (f) and (g), the repayment schedule of the capital improvement board's obligation, which must provide that no payments are due before January 1, 2013.
- (3) A rate of interest to be determined by the treasurer.
- (4) The amount of each investment, which may not exceed the maximum amounts established for the capital improvement board by this section.
- (5) Any other conditions specified by the treasurer.

(e) The capital improvement board may issue obligations under this section by adoption of a resolution and, as set forth in IC 5-1-14, may use any source of revenue to satisfy the obligation to the treasurer of state under this section. This section constitutes complete authority for the capital improvement board to issue obligations to the treasurer. If the capital improvement board fails to make any payments on the capital improvement board's obligation to the treasurer, the amount payable shall be withheld by the auditor of state from any other money payable to the capital improvement board. The amount withheld shall be transferred to the treasurer to the credit of the capital improvement board.

(f) Subject to subsection (g), if all principal and interest on the obligations issued by the capital improvement board under this section in calendar year 2009, are paid before July 1, 2015, the term of the obligations issued by the capital improvement board to the treasurer of state in calendar year 2010 is extended until 2025.

(g) This subsection applies if the capital improvement board before July 1, 2015, adopts a resolution:

- (1) to establish a bid fund to be used to assist the capital improvement board, the Indianapolis Convention and Visitors Association (VisitIndy), or the Indiana Sports Corporation in securing conventions, sporting events, and other special events; and
- (2) to designate that principal and interest payments that would otherwise be made on the obligation issued by the capital improvement board under this section in calendar year 2010 shall instead be deposited in the bid fund.

If the requirements of subdivisions (1) and (2) are satisfied and the capital improvement board deposits in the bid fund amounts equal to the principal and interests payments that would otherwise be made under the repayment schedule on the obligations issued by the capital improvement board under this section in calendar year 2010, the capital improvement board is not required to make those principal and interests payments to the treasurer of state at the time required under the repayment schedule. The amounts must be deposited in the bid fund not later than the time the principal and interest payments would otherwise be due to the treasurer of state under the repayment schedule. The state board of accounts shall ~~annually~~ examine the bid fund **under IC 5-11-1** to determine the amount of deposits made to the bid fund under this subsection and to ensure that the money deposited in the bid fund is used only for purposes authorized by this subsection. To the extent that the capital improvement board does not deposit in the bid fund an

amount equal to a payment of principal and interest that would otherwise be due under the repayment schedule on the obligations issued by the capital improvement board under this section in calendar year 2010, the capital improvement board must make that payment of principal and interest to the treasurer of state as provided in this section. If the capital improvement board deposits in the bid fund amounts equal to the payments of principal and interest that would otherwise be due under the repayment schedule on the obligations issued by the capital improvement board under this section in calendar year 2010, the capital improvement board is only required to repay to the treasurer of state the principal amount of the obligation.

SECTION 7. IC 6-3.6-10-7, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 7. (a) The general assembly finds that counties and municipalities in Indiana have a need to foster economic development, the development of new technology, and industrial and commercial growth. The general assembly finds that it is necessary and proper to provide an alternative method for counties and municipalities to foster the following:

- (1) Economic development.
- (2) The development of new technology.
- (3) Industrial and commercial growth.
- (4) Employment opportunities.
- (5) The diversification of industry and commerce.

The fostering of economic development and the development of new technology under this section or section 8 of this chapter for the benefit of the general public, including industrial and commercial enterprises, is a public purpose.

(b) The fiscal bodies of two (2) or more counties or municipalities may, by resolution, do the following:

- (1) Determine that part or all the revenue described in section 2 of this chapter should be combined to foster:
  - (A) economic development;
  - (B) the development of new technology; and
  - (C) industrial and commercial growth.
- (2) Establish a regional venture capital fund.

(c) Each unit participating in a regional venture capital fund established under subsection (b) may deposit the following in the fund:

- (1) Revenues described in section 2 of this chapter.
- (2) The proceeds of public or private grants.

(d) A regional venture capital fund shall be administered by a governing board. The expenses of administering the fund shall be paid from money in the fund. The governing board shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited into the fund. The fund is subject to ~~an annual~~ audit by the state board of accounts **under IC 5-11-1**. The fund must bear the full costs of the audit.

(e) The fiscal body of each participating unit shall approve an interlocal agreement created under IC 36-1-7 establishing the terms for the administration of the regional venture capital fund. The terms must include the following:

- (1) The membership of the governing board.
- (2) The amount of each unit's contribution to the fund.
- (3) The procedures and criteria under which the governing board may loan or grant money from the fund.
- (4) The procedures for the dissolution of the fund and for the distribution of money remaining in the fund at the time of the dissolution.

(f) An interlocal agreement made by the participating units under subsection (e) must provide that:

- (1) each of the participating units is represented by at least one (1) member of the governing board; and
- (2) the membership of the governing board is established on a bipartisan basis so that the number of the members of the governing board who are members of one (1) political

party may not exceed the number of members of the governing board required to establish a quorum.

(g) A majority of the governing board constitutes a quorum, and the concurrence of a majority of the governing board is necessary to authorize any action.

(h) An interlocal agreement made by the participating units under subsection (e) must be submitted to the Indiana economic development corporation for approval before the participating units may contribute to the fund.

(i) A majority of members of a governing board of a regional venture capital fund established under this section must have at least five (5) years of experience in business, finance, or venture capital.

(j) The governing board of the fund may loan or grant money from the fund to a private or public entity if the governing board finds that the loan or grant will be used by the borrower or grantee for at least one (1) of the following economic development purposes:

(1) To promote significant employment opportunities for the residents of the units participating in the regional venture capital fund.

(2) To attract a major new business enterprise to a participating unit.

(3) To develop, retain, or expand a significant business enterprise in a participating unit.

(k) The expenditures of a borrower or grantee of money from a regional venture capital fund that are considered to be for an economic development purpose include expenditures for any of the following:

(1) Research and development of technology.

(2) Job training and education.

(3) Acquisition of property interests.

(4) Infrastructure improvements.

(5) New buildings or structures.

(6) Rehabilitation, renovation, or enlargement of buildings or structures.

(7) Machinery, equipment, and furnishings.

(8) Funding small business development with respect to:

(A) prototype products or processes;

(B) marketing studies to determine the feasibility of new products or processes; or

(C) business plans for the development and production of new products or processes.

SECTION 8. IC 6-3-6-10-8, AS ADDED BY P.L.243-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8. (a) The fiscal body of a county or municipality may, by resolution, establish a local venture capital fund.

(b) A unit establishing a local venture capital fund under subsection (a) may deposit the following in the fund:

(1) Revenues described in section 2 of this chapter.

(2) The proceeds of public or private grants.

(c) A local venture capital fund shall be administered by a governing board. The expenses of administering the fund shall be paid from money in the fund. The governing board shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited into the fund. The fund is subject to ~~an annual~~ audit by the state board of accounts **under IC 5-11-1**. The fund must bear the full costs of the audit.

(d) The fiscal body of a unit establishing a local venture capital fund under subsection (a) shall establish the terms for the administration of the local venture capital fund. The terms must include the following:

(1) The membership of the governing board.

(2) The amount of the unit's contribution to the fund.

(3) The procedures and criteria under which the governing board may loan or grant money from the fund.

(4) The procedures for the dissolution of the fund and for

the distribution of money remaining in the fund at the time of the dissolution.

(e) A unit establishing a local venture capital fund under subsection (a) must be represented by at least one (1) member of the governing board.

(f) The membership of the governing board must be established on a bipartisan basis so that the number of the members of the governing board who are members of one (1) political party may not exceed the number of members of the governing board required to establish a quorum.

(g) A majority of the governing board constitutes a quorum, and the concurrence of a majority of the governing board is necessary to authorize any action.

(h) The terms established under subsection (d) for the administration of the local venture capital fund must be submitted to the Indiana economic development corporation for approval before a unit may contribute to the fund.

(i) A majority of members of a governing board of a local venture capital fund established under this section must have at least five (5) years of experience in business, finance, or venture capital.

(j) The governing board of the fund may loan or grant money from the fund to a private or public entity if the governing board finds that the loan or grant will be used by the borrower or grantee for at least one (1) of the following economic development purposes:

(1) To promote significant employment opportunities for the residents of the unit establishing the local venture capital fund.

(2) To attract a major new business enterprise to the unit.

(3) To develop, retain, or expand a significant business enterprise in the unit.

(k) The expenditures of a borrower or grantee of money from a local venture capital fund that are considered to be for an economic development purpose include expenditures for any of the following:

(1) Research and development of technology.

(2) Job training and education.

(3) Acquisition of property interests.

(4) Infrastructure improvements.

(5) New buildings or structures.

(6) Rehabilitation, renovation, or enlargement of buildings or structures.

(7) Machinery, equipment, and furnishings.

(8) Funding small business development with respect to:

(A) prototype products or processes;

(B) marketing studies to determine the feasibility of new products or processes; or

(C) business plans for the development and production of new products or processes.

SECTION 9. IC 20-26-4-5, AS AMENDED BY P.L.230-2015, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) For each school year commencing July 1:

(1) the treasurer of each governing body and the governing body's school corporation;

(2) a deputy treasurer, if so appointed; and

(3) any individual whose official duties include receiving, processing, depositing, disbursing, or otherwise having access to funds:

(A) that belong to a school corporation or the governing body of a school corporation; **and**

(B) **in an amount that exceeds five thousand dollars (\$5,000) per year;**

shall give a bond for the faithful performance of the treasurer's, deputy treasurer's, or individual's duties written by an insurance company licensed to do business in Indiana, in an amount determined by the governing body. The treasurer shall be responsible under the treasurer's bond for the acts of a deputy treasurer appointed as provided in section 1 of this chapter.

(b) A governing body may authorize the purchase of a blanket bond that:

(1) is endorsed to include faithful performance to cover the faithful performance of all employees and individuals acting on behalf of the governing body or the governing body's school corporation, including the individuals described in subsection (a); and

(2) includes aggregate coverage sufficient to provide coverage amounts specified for each individual who is required to give a bond under this section.

(Reference is to EHB 1372 as reprinted February 26, 2016.)

LEHMAN	CHARBONNEAU
RIECKEN	TAYLOR
House Conferees	Senate Conferees

Roll Call 424: yeas 96, nays 0. Report adopted.

#### CONFERENCE COMMITTEE REPORT ESB 20-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill 20 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 22-2-16-3, AS ADDED BY P.L.88-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. Unless federal or state law provides otherwise, a unit may not establish, mandate, or otherwise require an employer to provide to an employee who is employed within the jurisdiction of the unit:

- (1) a benefit;
- (2) a term of employment;
- (3) a working condition; or
- (4) an attendance, **scheduling**, or leave policy;

that exceeds the requirements of federal or state law, rules, or regulations.

SECTION 2. IC 22-4-17-3.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3.2. (a) As used in this section, "attorney" refers to one (1) of the following:

- (1) An attorney in good standing admitted to the practice of law in Indiana.
- (2) An attorney in good standing admitted to the practice of law in another state who has been granted temporary admission to the state bar under Rule 3 of the Rules for Admission to the Bar and the Discipline of Attorneys adopted by the supreme court.

(b) An employer or an employing unit having an interest in a claim for benefits pending before an administrative law judge, the review board, or other individuals who adjudicate claims may be represented by:

- (1) an officer or other employee of the employer or employing unit as designated by the employer or the employing unit;
- (2) an attorney;
- (3) an accountant certified by and in good standing with the state; or
- (4) a representative of an unemployment compensation service firm.

(c) A claimant for benefits may be represented by:

- (1) the claimant in person;
- (2) an attorney;
- (3) an accountant certified by and in good standing with the state; or
- (4) an authorized agent of a bona fide labor

organization to which the claimant belonged at the time the pending claim occurred.

(d) In addition to the persons listed in subsection (c), a claimant for benefits may designate a lay person of the claimant's choice to assist the claimant in the presentation of the claimant's case to the administrative law judge, the review board, or another individual who adjudicates claims.

SECTION 3. [EFFECTIVE UPON PASSAGE] (a) Before December 1, 2016, the department of workforce development shall amend 646 IAC 5-10-18 to make the rule comply with IC 22-4-17-3.2, as added by this act.

(b) This SECTION expires on the earlier of the following:

- (1) The date rules are adopted under subsection (a).
- (2) December 31, 2016.

SECTION 4. [EFFECTIVE JULY 1, 2016] (a) As used in this SECTION, "legislative council" refers to the legislative council established by IC 2-5-1.1-1.

(b) The legislative council is urged to assign to the interim study committee on employment and labor established by IC 2-5-1.3-4 or another appropriate interim study committee during the 2016 legislative interim the topics of:

- (1) employee misclassification;
- (2) payroll fraud; and
- (3) the use of independent contractor status.

(c) If the topics described in subsection (b) are assigned to an interim study committee, the interim study committee shall issue a final report to the legislative council containing the interim study committee's findings and recommendations, including any recommended legislation, in an electronic format under IC 5-14-6 not later than November 1, 2016.

(d) This SECTION expires December 31, 2016.

SECTION 5. An emergency is declared for this act.

(Reference is to ESB 20 as reprinted February 19, 2016.)

BOOTS	OBER
TALLIAN	LYNESS
Senate Conferees	House Conferees

Roll Call 425: yeas 72, nays 24. Report adopted.

#### CONFERENCE COMMITTEE REPORT ESB 80-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill 80 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 25-26-13-4, AS AMENDED BY P.L.182-2009(ss), SECTION 371, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2016]: Sec. 4. (a) The board may:

- (1) ~~promulgate~~ **adopt** rules and regulations under IC 4-22-2 for implementing and enforcing this chapter;
- (2) establish requirements and tests to determine the moral, physical, intellectual, educational, scientific, technical, and professional qualifications for applicants for pharmacists' licenses;
- (3) refuse to issue, deny, suspend, or revoke a license or permit or place on probation or fine any licensee or permittee under this chapter;
- (4) regulate the sale of drugs and devices in the state of Indiana;
- (5) impound, embargo, confiscate, or otherwise prevent from disposition any drugs, medicines, chemicals, poisons, or devices which by inspection are deemed unfit for use or

would be dangerous to the health and welfare of the citizens of the state of Indiana; the board shall follow those embargo procedures found in IC 16-42-1-18 through IC 16-42-1-31, and persons may not refuse to permit or otherwise prevent members of the board or their representatives from entering such places and making such inspections;

(6) prescribe minimum standards with respect to physical characteristics of pharmacies, as may be necessary to the maintenance of professional surroundings and to the protection of the safety and welfare of the public;

(7) subject to IC 25-1-7, investigate complaints, subpoena witnesses, schedule and conduct hearings on behalf of the public interest on any matter under the jurisdiction of the board;

(8) prescribe the time, place, method, manner, scope, and subjects of licensing examinations which shall be given at least twice annually; and

(9) perform such other duties and functions and exercise such other powers as may be necessary to implement and enforce this chapter.

(b) The board shall adopt rules under IC 4-22-2 for the following:

(1) Establishing standards for the competent practice of pharmacy.

(2) Establishing the standards for a pharmacist to counsel individuals regarding the proper use of drugs.

(3) Establishing standards and procedures before January 1, 2006, to ensure that a pharmacist:

(A) has entered into a contract that accepts the return of expired drugs with; or

(B) is subject to a policy that accepts the return of expired drugs of;

a wholesaler, manufacturer, or agent of a wholesaler or manufacturer concerning the return by the pharmacist to the wholesaler, the manufacturer, or the agent of expired legend drugs or controlled drugs. In determining the standards and procedures, the board may not interfere with negotiated terms related to cost, expenses, or reimbursement charges contained in contracts between parties, but may consider what is a reasonable quantity of a drug to be purchased by a pharmacy. The standards and procedures do not apply to vaccines that prevent influenza, medicine used for the treatment of malignant hyperthermia, and other drugs determined by the board to not be subject to a return policy. An agent of a wholesaler or manufacturer must be appointed in writing and have policies, personnel, and facilities to handle properly returns of expired legend drugs and controlled substances.

(c) The board may grant or deny a temporary variance to a rule it has adopted if:

(1) the board has adopted rules which set forth the procedures and standards governing the grant or denial of a temporary variance; and

(2) the board sets forth in writing the reasons for a grant or denial of a temporary variance.

(d) The board shall adopt rules and procedures, in consultation with the medical licensing board, concerning the electronic transmission of prescriptions. The rules adopted under this subsection must address the following:

(1) Privacy protection for the practitioner and the practitioner's patient.

(2) Security of the electronic transmission.

(3) A process for approving electronic data intermediaries for the electronic transmission of prescriptions.

(4) Use of a practitioner's United States Drug Enforcement Agency registration number.

(5) Protection of the practitioner from identity theft or fraudulent use of the practitioner's prescribing authority.

(e) The governor may direct the board to develop:

(1) a prescription drug program that includes the establishment of criteria to eliminate or significantly reduce prescription fraud; and

(2) a standard format for an official tamper resistant prescription drug form for prescriptions (as defined in IC 16-42-19-7(1)).

The board may adopt rules under IC 4-22-2 necessary to implement this subsection.

(f) The standard format for a prescription drug form described in subsection (e)(2) must include the following:

(1) A counterfeit protection bar code with human readable representation of the data in the bar code.

(2) A thermochromic mark on the front and the back of the prescription that:

(A) is at least one-fourth (1/4) of one (1) inch in height and width; and

(B) changes from blue to clear when exposed to heat.

(g) The board may contract with a supplier to implement and manage the prescription drug program described in subsection (e). The supplier must:

(1) have been audited by a third party auditor using the SAS 70 audit or an equivalent audit for at least the three

(3) previous years; and

(2) be audited by a third party auditor using the SAS 70 audit or an equivalent audit throughout the duration of the contract;

in order to be considered to implement and manage the program.

**(h) The board shall adopt rules under IC 4-22-2, or emergency rules in the manner provided under IC 4-22-2-37.1 that take effect on July 1, 2016, concerning the determination of a relationship on record with the pharmacy under IC 35-48-4-14.7.**

**(i) The board may:**

**(1) review denials made by a pharmacist under IC 35-48-4-14.7(m) and take appropriate disciplinary action against a pharmacist whose misconduct has led to the denial of the sale of ephedrine and pseudoephedrine under IC 35-48-4-14.7; and**

**(2) take appropriate disciplinary action against a pharmacist who violates a rule adopted under subsection (h).**

SECTION 2. IC 34-30-2-152.3, AS AMENDED BY P.L.193-2013, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 152.3. **(a)** IC 35-48-4-14.7 (Concerning a pharmacy or NPLeX retailer ~~who~~ that discloses information concerning the sale of a product containing ephedrine or pseudoephedrine).

**(b) IC 35-48-4-14.7 (Concerning a pharmacist's denial of sale of ephedrine or pseudoephedrine to an individual).**

SECTION 3. IC 35-48-4-14.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JUNE 1, 2016]: Sec. 14.3. **(a) The board shall adopt:**

**(1) a rule under IC 4-22-2; or**

**(2) an emergency rule in the manner provided under IC 4-22-2-37.1;**

**to declare that a product is an extraction resistant or a conversion resistant form of ephedrine or pseudoephedrine.**

**(b) The board, in consultation with the state police, shall find that a product is an extraction resistant or a conversion resistant form of ephedrine or pseudoephedrine if the board determines that the product does not pose a significant risk of being used in the manufacture of methamphetamine. The board may receive information from the federal Drug Enforcement Agency concerning whether or not a product is extraction resistant or conversion resistant.**

SECTION 4. IC 35-48-4-14.7, AS AMENDED BY P.L.193-2013, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 14.7. **(a) This**

section does not apply to the following:

- (1) Ephedrine or pseudoephedrine dispensed pursuant to a prescription. **Nothing in this section prohibits a person who is denied the sale of a nonprescription product containing pseudoephedrine or ephedrine from obtaining pseudoephedrine or ephedrine pursuant to a prescription.**
- (2) The sale of a drug containing ephedrine or pseudoephedrine to a licensed health care provider, pharmacist, retail distributor, wholesaler, manufacturer, or an agent of any of these persons if the sale occurs in the regular course of lawful business activities. However, a retail distributor, wholesaler, or manufacturer is required to report a suspicious order to the state police department in accordance with subsection (g).
- (3) The sale of a drug containing ephedrine or pseudoephedrine by a person who does not sell exclusively to walk-in customers for the personal use of the walk-in customers. However, if the person described in this subdivision is a retail distributor, wholesaler, or manufacturer, the person is required to report a suspicious order to the state police department in accordance with subsection (g).
- (b) The following definitions apply throughout this section:
  - (1) "Constant video monitoring" means the surveillance by an automated camera that:
    - (A) records at least one (1) photograph or digital image every ten (10) seconds;
    - (B) retains a photograph or digital image for at least seventy-two (72) hours;
    - (C) has sufficient resolution and magnification to permit the identification of a person in the area under surveillance; and
    - (D) stores a recorded photograph or digital image at a location that is immediately accessible to a law enforcement officer.
  - (2) "Convenience package" means a package that contains a drug having as an active ingredient not more than sixty (60) milligrams of ephedrine or pseudoephedrine, or both.
  - (3) "Ephedrine" means pure or adulterated ephedrine.
  - (4) "Pharmacy or NPEEx retailer" means:
    - (A) a pharmacy, as defined in IC 25-26-13-2;
    - (B) a retailer containing a pharmacy, as defined in IC 25-26-13-2; or
    - (C) a retailer that electronically submits the required information to the National Precursor Log Exchange (NPEEx) administered by the National Association of Drug Diversion Investigators (NADDI).
  - (5) "Pseudoephedrine" means pure or adulterated pseudoephedrine.
  - (6) "Retailer" means a grocery store, general merchandise store, or other similar establishment. The term does not include a pharmacy or NPEEx retailer.
  - (7) "Suspicious order" means a sale or transfer of a drug containing ephedrine or pseudoephedrine if the sale or transfer:
    - (A) is a sale or transfer that the retail distributor, wholesaler, or manufacturer is required to report to the United States Drug Enforcement Administration;
    - (B) appears suspicious to the retail distributor, wholesaler, or manufacturer in light of the recommendations contained in Appendix A of the report to the United States attorney general by the suspicious orders task force under the federal Comprehensive Methamphetamine Control Act of 1996; or
    - (C) is for cash or a money order in a total amount of at least two hundred dollars (\$200).
  - (8) "Unusual theft" means the theft or unexplained disappearance from a particular pharmacy or NPEEx

retailer of drugs containing ten (10) grams or more of ephedrine, pseudoephedrine, or both in a twenty-four (24) hour period.

(c) A drug containing ephedrine or pseudoephedrine may be sold only by a pharmacy or NPEEx retailer. **Except as provided in subsection (f); a retailer may not sell a drug containing ephedrine or pseudoephedrine.**

(d) A pharmacy or NPEEx retailer may sell a drug that contains the active ingredient of ephedrine, pseudoephedrine, or both only if the pharmacy or NPEEx retailer complies with the following conditions:

(1) The pharmacy or NPEEx retailer does not sell the drug to a person less than eighteen (18) years of age.

(2) The pharmacy or NPEEx retailer does not sell drugs containing more than:

(A) three and six-tenths (3.6) grams of ephedrine or pseudoephedrine, or both, to one (1) individual on one (1) day;

(B) seven and two-tenths (7.2) grams of ephedrine or pseudoephedrine, or both, to one (1) individual in a thirty (30) day period; or

(C) sixty-one and two-tenths (61.2) grams of ephedrine or pseudoephedrine, or both, to one (1) individual in a three hundred sixty-five (365) day period.

**(3) Except as provided in subsection (f), before the sale occurs the pharmacist has determined that the purchaser has a relationship on record with the pharmacy, in compliance with rules adopted by the board under IC 25-26-13-4.**

**(4)** The pharmacy or NPEEx retailer requires:

(A) the purchaser to produce a valid government issued photo identification card showing the date of birth of the person;

(B) the purchaser to sign a written or electronic log attesting to the validity of the information; and

(C) the clerk who is conducting the transaction to initial or electronically record the clerk's identification on the log.

Records from the completion of a log must be retained for at least two (2) years. A law enforcement officer has the right to inspect and copy a log or the records from the completion of a log in accordance with state and federal law. A pharmacy or NPEEx retailer may not sell or release a log or the records from the completion of a log for a commercial purpose. The Indiana criminal justice institute may obtain information concerning a log or the records from the completion of a log from a law enforcement officer if the information may not be used to identify a specific individual and is used only for statistical purposes. A pharmacy or NPEEx retailer that in good faith releases information maintained under this subsection is immune from civil liability unless the release constitutes gross negligence or intentional, wanton, or willful misconduct.

**(5)** The pharmacy or NPEEx retailer maintains a record of information for each sale of a nonprescription product containing pseudoephedrine or ephedrine. Required information includes:

(A) the name and address of each purchaser;

(B) the type of identification presented;

(C) the governmental entity that issued the identification;

(D) the identification number; and

(E) the ephedrine or pseudoephedrine product purchased, including the number of grams the product contains and the date and time of the transaction.

**(5) Beginning January 1, 2012; (6)** A pharmacy or NPEEx retailer shall, except as provided in subdivision **(6); (7)**, before completing a sale of an over-the-counter product containing pseudoephedrine or ephedrine, electronically



submit the required information to the National Precursor Log Exchange (NPLEX) administered by the National Association of Drug Diversion Investigators (NADDI), if the NPLEX system is available to pharmacies or NPLEX retailers in the state without a charge for accessing the system. The pharmacy or NPLEX retailer may not complete the sale if the system generates a stop sale alert.

~~(6)~~ (7) If a pharmacy or NPLEX retailer selling an over-the-counter product containing ephedrine or pseudoephedrine experiences mechanical or electronic failure of the electronic sales tracking system and is unable to comply with the electronic sales tracking requirement, the pharmacy or NPLEX retailer shall maintain a written log or an alternative electronic recordkeeping mechanism until the pharmacy or NPLEX retailer is able to comply with the electronic sales tracking requirement.

~~(7)~~ (8) The pharmacy or NPLEX retailer stores the drug behind a counter in an area inaccessible to a customer or in a locked display case that makes the drug unavailable to a customer without the assistance of an employee.

- (e) A person may not purchase drugs containing more than:
- (1) three and six-tenths (3.6) grams of ephedrine or pseudoephedrine, or both, on one (1) day;
  - (2) seven and two-tenths (7.2) grams of ephedrine or pseudoephedrine, or both, in a thirty (30) day period; or
  - (3) sixty-one and two-tenths (61.2) grams of ephedrine or pseudoephedrine, or both, in a three hundred sixty-five (365) day period.

These limits apply to the total amount of base ephedrine and pseudoephedrine contained in the products and not to the overall weight of the products.

~~(f) This subsection only applies to convenience packages: A retailer may sell convenience packages under this section without complying with the conditions listed in subsection (d):~~

- ~~(1) after June 30, 2013; and~~
- ~~(2) before January 1, 2014.~~

~~A retailer may not sell drugs containing more than sixty (60) milligrams of ephedrine or pseudoephedrine, or both in any one (1) transaction: A retailer who sells convenience packages must secure the convenience packages behind the counter in an area inaccessible to a customer or in a locked display case that makes the drug unavailable to a customer without the assistance of an employee: A retailer may not sell a drug containing ephedrine or pseudoephedrine after December 31, 2013.~~

(f) If a purchaser does not have a relationship on record with the pharmacy, as determined by rules adopted by the board under IC 25-26-13-4, the purchaser may, at the pharmacist's discretion, purchase only the following:

- (1) A product that has been determined under section 14.3 of this chapter to be an extraction resistant or a conversion resistant form of ephedrine or pseudoephedrine.
- (2) A product that contains not more than:
  - (A) a total of seven hundred twenty (720) milligrams of ephedrine or pseudoephedrine per package; and
  - (B) thirty (30) milligrams of ephedrine or pseudoephedrine per tablet.

The pharmacist may not sell more than one (1) package of ephedrine or pseudoephedrine to any one (1) purchaser under this subdivision per day.

(g) A retail distributor, wholesaler, or manufacturer shall report a suspicious order to the state police department in writing.

(h) Not later than three (3) days after the discovery of an unusual theft at a particular retail store, the pharmacy or NPLEX retailer shall report the unusual theft to the state police department in writing. If three (3) unusual thefts occur in a thirty (30) day period at a particular pharmacy or NPLEX retailer, the pharmacy or NPLEX retailer shall, for at least one hundred

eighty (180) days after the date of the last unusual theft, locate all drugs containing ephedrine or pseudoephedrine at that particular pharmacy or NPLEX retailer behind a counter in an area inaccessible to a customer or in a locked display case that makes the drug unavailable to customers without the assistance of an employee.

(i) A unit (as defined in IC 36-1-2-23) may not adopt an ordinance after February 1, 2005, that is more stringent than this section.

(j) A person who knowingly or intentionally violates this section commits a Class C misdemeanor. However, the offense is a Class A misdemeanor if the person has a prior unrelated conviction under this section.

(k) A pharmacy or NPLEX retailer that uses the electronic sales tracking system in accordance with this section, **and a pharmacist who denies a sale under subsection (m), is immune from civil liability for any act or omission committed in carrying out the duties required by this section, unless the act or omission was due to negligence, recklessness or deliberate or wanton misconduct.** A pharmacy or NPLEX retailer is immune from liability to a third party unless the pharmacy or NPLEX retailer has violated a provision of this section and the third party brings an action based on the pharmacy's or NPLEX retailer's violation of this section.

(l) The following requirements apply to the NPLEX:

- (1) Information contained in the NPLEX may be shared only with law enforcement officials.
- (2) A law enforcement official may access Indiana transaction information maintained in the NPLEX for investigative purposes.
- (3) NADDI may not modify sales transaction data that is shared with law enforcement officials.
- (4) At least one (1) time per week, NADDI shall forward Indiana data contained in the NPLEX, including data concerning a transaction that could not be completed due to the issuance of a stop sale alert, to the state police department.

**(m) Notwithstanding any other requirement under this section, if the pharmacist believes that an ephedrine or pseudoephedrine purchase will be used to manufacture methamphetamine, the pharmacist may refuse to sell ephedrine or pseudoephedrine to the purchaser.**

**(n) A person or corporate entity may not mandate a protocol or procedure that interferes with the pharmacist's ability to exercise the pharmacist's independent professional judgment under this section, including whether to deny the sale of ephedrine or pseudoephedrine under subsection (m).**

SECTION 5. IC 35-48-7-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3.5. As used in this chapter, "ephedrine" includes only ephedrine that is dispensed pursuant to a prescription or drug order.

SECTION 6. IC 35-48-7-5.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5.9. As used in this chapter, "pseudoephedrine" includes only pseudoephedrine that is dispensed pursuant to a prescription or drug order.

SECTION 7. IC 35-48-7-8.1, AS AMENDED BY P.L.89-2015, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8.1. (a) The board shall provide for **a an ephedrine, pseudoephedrine, and controlled substance prescription monitoring program that includes the following components:**

- (1) Each time **ephedrine, pseudoephedrine, or a controlled substance designated by the board under IC 35-48-2-5 through IC 35-48-2-10 is dispensed, the dispenser shall transmit to the INSPECT program the following information:**

(A) The **ephedrine, pseudoephedrine, or controlled substance recipient's name.**

(B) The **ephedrine, pseudoephedrine, or** controlled substance recipient's or the recipient representative's identification number or the identification number or phrase designated by the INSPECT program.

(C) The **ephedrine, pseudoephedrine, or** controlled substance recipient's date of birth.

(D) The national drug code number of the **ephedrine, pseudoephedrine, or** controlled substance dispensed.

(E) The date the **ephedrine, pseudoephedrine, or** controlled substance is dispensed.

(F) The quantity of the **ephedrine, pseudoephedrine, or** controlled substance dispensed.

(G) The number of days of supply dispensed.

(H) The dispenser's United States Drug Enforcement Agency registration number.

(I) The prescriber's United States Drug Enforcement Agency registration number.

(J) An indication as to whether the prescription was transmitted to the pharmacist orally or in writing.

(K) Other data required by the board.

(2) The information required to be transmitted under this section must be transmitted as follows:

(A) Before July 1, 2015, not more than seven (7) days after the date on which **ephedrine, pseudoephedrine, or** a controlled substance is dispensed.

(B) Beginning July 1, 2015, and until December 31, 2015, not more than three (3) days after the date on which **ephedrine, pseudoephedrine, or** a controlled substance is dispensed.

(C) Beginning January 1, 2016, and thereafter, not more than twenty-four (24) hours after the date on which **ephedrine, pseudoephedrine, or** a controlled substance is dispensed. However, if the dispenser's pharmacy is closed the day following the dispensing, the information must be transmitted by the end of the next business day.

(3) A dispenser shall transmit the information required under this section by:

(A) uploading to the INSPECT web site;

(B) a computer diskette; or

(C) a CD-ROM disk;

that meets specifications prescribed by the board.

(4) The board may require that prescriptions for **ephedrine, pseudoephedrine, or** controlled substances be written on a one (1) part form that cannot be duplicated. However, the board may not apply such a requirement to prescriptions filled at a pharmacy with a Category II permit (as described in IC 25-26-13-17) and operated by a hospital licensed under IC 16-21, or prescriptions ordered for and dispensed to bona fide enrolled patients in facilities licensed under IC 16-28. The board may not require multiple copy prescription forms for any prescriptions written. The board may not require different prescription forms for any individual drug or group of drugs. Prescription forms required under this subdivision must be approved by the Indiana board of pharmacy established by IC 25-26-13-3.

(5) The costs of the program.

(b) The board shall consider the recommendations of the committee concerning the INSPECT program.

(c) This subsection applies only to a retail pharmacy. A pharmacist, pharmacy technician, or person authorized by a pharmacist to dispense **ephedrine, pseudoephedrine, or** a controlled substance may not dispense **ephedrine, pseudoephedrine, or** a controlled substance to a person who is not personally known to the pharmacist, pharmacy technician, or person authorized by a pharmacist to dispense a controlled substance unless the person taking possession of the **ephedrine, pseudoephedrine, or** controlled substance provides documented proof of the person's identification to the

pharmacist, pharmacy technician, or person authorized by a pharmacist to dispense **ephedrine, pseudoephedrine, or** a controlled substance.

SECTION 8. IC 35-48-7-10.1, AS AMENDED BY P.L.89-2015, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 10.1. (a) The INSPECT program must do the following:

(1) Create a data base for information required to be transmitted under section 8.1 of this chapter in the form required under rules adopted by the board, including search capability for the following:

(A) An **ephedrine, pseudoephedrine, or** a controlled substance recipient's name.

(B) An **ephedrine, pseudoephedrine, or** a controlled substance recipient's or recipient representative's identification number.

(C) An **ephedrine, pseudoephedrine, or** a controlled substance recipient's date of birth.

(D) The national drug code number of **ephedrine, pseudoephedrine, or** a controlled substance dispensed.

(E) The dates **ephedrine, pseudoephedrine, or** a controlled substance ~~is~~ **are** dispensed.

(F) The quantities of **ephedrine, pseudoephedrine, or** a controlled substance dispensed.

(G) The number of days of supply dispensed.

(H) A dispenser's United States Drug Enforcement Agency registration number.

(I) A prescriber's United States Drug Enforcement Agency registration number.

(J) Whether a prescription was transmitted to the pharmacist orally or in writing.

(K) An **ephedrine, pseudoephedrine, or** a controlled substance recipient's method of payment for the **ephedrine, pseudoephedrine, or** controlled substance dispensed.

(2) Provide the board with continuing twenty-four (24) hour a day online access to the data base.

(3) Secure the information collected and the data base maintained against access by unauthorized persons.

(b) The board may not execute a contract with a vendor designated by the board to perform any function associated with the administration of the INSPECT program, unless the contract has been approved by the committee.

(c) The INSPECT program may gather prescription data from the Medicaid retrospective drug utilization review (DUR) program established under IC 12-15-35.

(d) The board may accept and designate grants, public and private financial assistance, and licensure fees to provide funding for the INSPECT program.

SECTION 9. IC 35-48-7-11.1, AS AMENDED BY P.L.201-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 11.1. (a) Information received by the INSPECT program under section 8.1 of this chapter is confidential.

(b) The board shall carry out a program to protect the confidentiality of the information described in subsection (a). The board may disclose the information to another person only under subsection (c), (d), or (g).

(c) The board may disclose confidential information described in subsection (a) to any person who is authorized to engage in receiving, processing, or storing the information.

(d) Except as provided in subsections (e) and (f), the board may release confidential information described in subsection (a) to the following persons:

(1) A member of the board or another governing body that licenses practitioners and is engaged in an investigation, an adjudication, or a prosecution of a violation under any state or federal law that involves **ephedrine, pseudoephedrine, or** a controlled substance.

(2) An investigator for the consumer protection division of

the office of the attorney general, a prosecuting attorney, the attorney general, a deputy attorney general, or an investigator from the office of the attorney general, who is engaged in:

- (A) an investigation;
- (B) an adjudication; or
- (C) a prosecution;

of a violation under any state or federal law that involves **ephedrine, pseudoephedrine, or** a controlled substance.

(3) A law enforcement officer who is an employee of:

- (A) a local, state, or federal law enforcement agency; or
- (B) an entity that regulates **ephedrine, pseudoephedrine, or** controlled substances or enforces **ephedrine, pseudoephedrine, or** controlled substances rules or laws in another state;

that is certified to receive **ephedrine, pseudoephedrine, or** controlled substance prescription drug information from the INSPECT program.

(4) A practitioner or practitioner's agent certified to receive information from the INSPECT program.

(5) **An ephedrine, pseudoephedrine, or** a controlled substance monitoring program in another state with which Indiana has established an interoperability agreement.

(6) The state toxicologist.

(7) A certified representative of the Medicaid retrospective and prospective drug utilization review program.

(8) A substance abuse assistance program for a licensed health care provider who:

- (A) has prescriptive authority under IC 25; and
- (B) is participating in the assistance program.

(9) An individual who holds a valid temporary medical permit issued under IC 25-22.5-5-4 or **a temporary fellowship permit under IC 25-22.5-5-4.6.**

(e) Information provided to an individual under:

(1) subsection (d)(3) is limited to information:

- (A) concerning an individual or proceeding involving the unlawful diversion or misuse of a schedule II, III, IV, or V controlled substance; and
- (B) that will assist in an investigation or proceeding; and

(2) subsection (d)(4) may be released only for the purpose of:

- (A) providing medical or pharmaceutical treatment; or
- (B) evaluating the need for providing medical or pharmaceutical treatment to a patient.

(f) Before the board releases confidential information under subsection (d), the applicant must be approved by the INSPECT program in a manner prescribed by the board.

(g) The board may release to:

- (1) a member of the board or another governing body that licenses practitioners;
- (2) an investigator for the consumer protection division of the office of the attorney general, a prosecuting attorney, the attorney general, a deputy attorney general, or an investigator from the office of the attorney general; or
- (3) a law enforcement officer who is:

- (A) authorized by the state police department to receive **ephedrine, pseudoephedrine, or** controlled substance prescription drug information; and
- (B) approved by the board to receive the type of information released;

confidential information generated from computer records that identifies practitioners who are prescribing or dispensing large quantities of a controlled substance.

(h) The information described in subsection (g) may not be released until it has been reviewed by:

- (1) a member of the board who is licensed in the same profession as the prescribing or dispensing practitioner identified by the data; or

(2) the board's designee;

and until that member or the designee has certified that further investigation is warranted. However, failure to comply with this subsection does not invalidate the use of any evidence that is otherwise admissible in a proceeding described in subsection (i).

(i) An investigator or a law enforcement officer receiving confidential information under subsection (c), (d), or (g) may disclose the information to a law enforcement officer or an attorney for the office of the attorney general for use as evidence in the following:

(1) A proceeding under IC 16-42-20.

(2) A proceeding under any state or federal law that involves **ephedrine, pseudoephedrine, or** a controlled substance.

(3) A criminal proceeding or a proceeding in juvenile court that involves **ephedrine, pseudoephedrine, or** a controlled substance.

(j) The board may compile statistical reports from the information described in subsection (a). The reports must not include information that identifies any practitioner, ultimate user, or other person administering **ephedrine, pseudoephedrine, or** a controlled substance. Statistical reports compiled under this subsection are public records.

(k) Except as provided in IC 25-22.5-13, this section may not be construed to require a practitioner to obtain information about a patient from the data base.

(l) A practitioner is immune from civil liability for an injury, death, or loss to a person solely due to a practitioner seeking or not seeking information from the INSPECT program. The civil immunity described in this subsection does not extend to a practitioner if the practitioner receives information directly from the INSPECT program and then negligently misuses this information. This subsection does not apply to an act or omission that is a result of gross negligence or intentional misconduct.

(m) The board may review the records of the INSPECT program. If the board determines that a violation of the law may have occurred, the board shall notify the appropriate law enforcement agency or the relevant government body responsible for the licensure, regulation, or discipline of practitioners authorized by law to prescribe controlled substances.

(n) A practitioner who in good faith discloses information based on a report from the INSPECT program to a law enforcement agency is immune from criminal or civil liability. A practitioner that discloses information to a law enforcement agency under this subsection is presumed to have acted in good faith.

SECTION 10. IC 35-48-7-12.1, AS AMENDED BY P.L.89-2015, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 12.1. (a) The board shall adopt rules under IC 4-22-2 to implement this chapter, including the following:

(1) Information collection and retrieval procedures for the INSPECT program, including the controlled substances to be included in the program required under section 8.1 of this chapter.

(2) Design for the creation of the data base required under section 10.1 of this chapter.

(3) Requirements for the development and installation of online electronic access by the board to information collected by the INSPECT program.

(4) Identification of emergency situations or other circumstances in which a practitioner may prescribe, dispense, and administer a prescription drug specified in section 8.1 of this chapter without a written prescription or on a form other than a form specified in section 8.1(a)(4) of this chapter.

(5) Requirements for a practitioner providing treatment for a patient at an opioid treatment program operating under

IC 12-23-18 to check the INSPECT program:

- (A) before initially prescribing **ephedrine, pseudoephedrine, or** a controlled substance to a patient; and
- (B) periodically during the course of treatment that uses **ephedrine, pseudoephedrine, or** a controlled substance.

(b) The board may:

- (1) set standards for education courses for individuals authorized to use the INSPECT program;
- (2) identify treatment programs for individuals addicted to controlled substances monitored by the INSPECT program; and
- (3) work with impaired practitioner associations to provide intervention and treatment.

(c) The executive director of the Indiana professional licensing agency may hire a person to serve as the director of the INSPECT program, with the approval of the chairperson of the board.

#### SECTION 11. **An emergency is declared for this act.**

(Reference is to ESB 80 as printed February 23, 2016.)

HEAD	SMALTZ
ROGERS	C, BROWN
Senate Conferees	House Conferees

Roll Call 426: yeas 71, nays 26. Report adopted.

#### CONFERENCE COMMITTEE REPORT ESB 93-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill 93 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 6-1.1-20.3-6.9, AS ADDED BY P.L.213-2015, SECTION 81, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.9. (a) The board may do the following:

- (1) Hold a public hearing to review the budget, tax levies, assessed value, debt service requirements, and other financial information for the Gary Community School Corporation.
- (2) After reviewing the information described in subdivision (1) and subject to subdivision (3), the board may, with the consent of the governing body of the Gary Community School Corporation, select a financial specialist to take financial control of the Gary Community School Corporation, who shall act in consultation with the governing body of the Gary Community School Corporation and the city of Gary.
- (3) In selecting a financial specialist to take financial control of the Gary Community School Corporation under subdivision (2):

- (A) the board shall recommend three (3) persons as potential candidates for the financial specialist position to take financial control of the Gary Community School Corporation; and
- (B) the governing body of the Gary Community School Corporation may, within twenty-one (21) days after the board makes the recommendations under clause (A), choose one (1) of the persons recommended by the board under clause (A) that the board may then select as a financial specialist to take financial control of the Gary Community School Corporation as provided in

subdivision (2).

If the governing body of the Gary Community School Corporation does not choose a financial specialist as provided in clause (B) from the persons recommended by the board within twenty-one (21) days, the board's authority under this section is terminated.

(4) A financial specialist selected under this section:

- (A) shall be paid out of the funds appropriated to the board;
- (B) may perform the duties authorized under this section for not more than ~~twelve (12)~~ **twenty-four (24)** consecutive months; and
- (C) may request the Indiana Association of School Business Officials to provide technical consulting services to the financial specialist and the Gary Community School Corporation on the following issues:
  - (i) Debt management.
  - (ii) Cash management.
  - (iii) Facility management.
  - (iv) Other school business management issues.

The Indiana Association of School Business Officials will determine the appropriate individuals to consult with the financial specialist and the Gary Community School Corporation. Any consulting expenses will be paid out of the funds appropriated to the board.

(b) The board may do any of the following if the board selects a financial specialist to take financial control of the Gary Community School Corporation under subsection (a):

- (1) The board may work jointly with the city of Gary and the financial specialist to develop a financial plan for the Gary Community School Corporation.
- (2) The board may delay or suspend, for a period determined by the board, any payments of principal or interest, or both, that would otherwise be due from the Gary Community School Corporation on loans or advances from the common school fund.
- (3) The board may recommend to the state board of finance that the state board of finance make an interest free loan to the Gary Community School Corporation from the common school fund. If the board makes a recommendation that such a loan be made, the state board of finance may, notwithstanding IC 20-49, make such a loan for a term of not more than six (6) years.

SECTION 2. IC 16-41-21.1 IS ADDED TO THE INDIANA CODE AS A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:

#### **Chapter 21.1. Testing of Water in School Buildings**

**Sec. 1. As used in this chapter, "school building" means any building used by a public school (as defined in IC 20-18-2-15), including a charter school (as defined in IC 20-18-2-2.5), for the classroom instruction of students in any grade from kindergarten through grade 12.**

**Sec. 2. Every school building shall be supplied with safe, potable water from a public water system approved by the commissioner of the department of environmental management in accordance with IC 13-18-16.**

SECTION 3. IC 20-18-2-18, AS ADDED BY P.L.1-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 18. (a) **Except as provided in subsection (b), "secondary school" means a high school.**

**(b) For purposes of IC 20-28-9-25, "secondary school" has the meaning set forth in IC 20-28-9-25.**

SECTION 4. IC 20-20-8-8, AS AMENDED BY SEA 3-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The report must include the following information:

- (1) Student enrollment.
- (2) Graduation rate (as defined in IC 20-26-13-6) and the graduation rate excluding students that receive a

graduation waiver under IC 20-32-4-4.

(3) Attendance rate.

(4) The following test scores, including the number and percentage of students meeting academic standards:

(A) All state standardized assessment scores.

(B) Scores for assessments under IC 20-32-5-21, if appropriate.

(C) For a freeway school, scores on a locally adopted assessment program, if appropriate.

(5) Average class size.

(6) The school's performance category or designation of school improvement assigned under IC 20-31-8.

(7) The number and percentage of students in the following groups or programs:

(A) Alternative education, if offered.

(B) Career and technical education.

(C) Special education.

(D) High ability.

~~(E) Remediation.~~

~~(F) (E) Limited English language proficiency.~~

~~(G) (F) Students receiving free or reduced price lunch under the national school lunch program.~~

~~(H) School flex program, if offered.~~

(8) Advanced placement, including the following:

(A) For advanced placement tests, the percentage of students:

(i) scoring three (3), four (4), and five (5); and

(ii) taking the test.

(B) For the Scholastic Aptitude Test:

(i) **the average** test scores for all students taking the test;

(ii) **the average** test scores for students completing the academic honors diploma program; and

(iii) the percentage of students taking the test.

(9) Course completion, including the number and percentage of students completing the following programs:

(A) Academic honors diploma.

(B) Core 40 curriculum.

(C) Career and technical programs.

~~(10) The percentage of grade 8 students enrolled in algebra I.~~

~~(11) (10) The percentage of graduates considered college and career ready in a manner prescribed by the state board.~~

~~(12) (11) School safety, including:~~

(A) the number of students receiving suspension or expulsion for the possession of alcohol, drugs, or weapons;

(B) the number of incidents reported under IC 20-33-9; and

(C) the number of bullying incidents reported under IC 20-34-6 by category.

~~(13) (12) Financial information and various school cost factors including the following: required to be provided to the office of management and budget under IC 20-42.5-3-5.~~

~~(A) Expenditures per pupil.~~

~~(B) Average teacher salary.~~

~~(C) Remediation funding.~~

~~(14) Interdistrict and intradistrict student mobility rates; if that information is available.~~

~~(15) (13) The number and percentage of each of the following within the school corporation:~~

(A) Teachers who are certificated employees (as defined in IC 20-29-2-4).

(B) Teachers who teach the subject area for which the teacher is certified and holds a license.

(C) Teachers with national board certification.

~~(16) (14) The percentage of grade 3 students reading at grade 3 level.~~

~~(17) (15) The number of students expelled, including the number participating in other recognized education programs during their expulsion; including the percentage of students expelled by race, grade, gender, free or reduced price lunch status, and eligibility for special education.~~

~~(18) (16) Chronic absenteeism, which includes the number of students who have been absent from school for ten percent (10%) or more of a school year for any reason.~~

~~(19) (17) Habitual truancy, which includes the number of students who have been absent ten (10) days or more from school within a school year without being excused or without being absent under a parental request that has been filed with the school.~~

~~(20) (18) The number of students who have dropped out of school, including the reasons for dropping out, including the percentage of students who have dropped out by race, grade, gender, free or reduced price lunch status, and eligibility for special education.~~

~~(21) (19) The number of out of school suspensions assigned, including the percentage of students suspended by race, grade, gender, free or reduced price lunch status, and eligibility for special education.~~

~~(22) (20) The number of in school suspensions assigned, including the percentage of students suspended by race, grade, gender, free or reduced price lunch status, and eligibility for special education.~~

~~(23) (21) The number of student work permits revoked.~~

~~(24) (22) The number of students receiving an international baccalaureate diploma.~~

(b) This subsection applies to schools, including charter schools, located in a county having a consolidated city, including schools located in excluded cities (as defined in IC 36-3-1-7). The information reported under subsection (a) must be disaggregated by race, grade, gender, free or reduced price lunch status, and eligibility for special education.

SECTION 5. IC 20-23-17.2-3, AS AMENDED BY P.L.216-2015, SECTION 38, IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 3: (a) The governing body of the school corporation consists of nine (9) members who shall be elected as follows:

(1) One (1) member shall be elected from each of the school districts described in section 4 of this chapter. A member elected under this subdivision must reside within the boundaries of the district the member represents.

(2) Three (3) members, who must reside within the boundaries of the school corporation; shall be elected as at-large members.

(3) All members shall be elected on a nonpartisan basis.

(4) All members shall be elected at the general election held in the county in 2016 and each four (4) years thereafter.

(b) Upon assuming office and in conducting the business of the governing body; a member shall represent the interests of the entire school corporation.

SECTION 6. IC 20-23-17.2-3, AS AMENDED BY P.L.222-2015, SECTION 1, IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 3: (a) The governing body of the school corporation consists of nine (9) members who shall be elected as follows:

(1) One (1) member shall be elected from each of the school districts described in section 4 of this chapter. A member elected under this subdivision must reside within the boundaries of the district the member represents.

(2) Three (3) members, who must reside within the boundaries of the school corporation; shall be elected as at-large members.

(3) All members shall be elected on a nonpartisan basis.

(4) All members shall be elected at the general election held in the county in 2012.

(b) Upon assuming office and in conducting the business of the governing body, a member shall represent the interests of the entire school corporation.

(c) This section expires January 1, 2017.

SECTION 7. IC 20-23-17.2-3.1, AS ADDED BY P.L.222-2015, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2017]: Sec. 3.1. (a) After December 31, 2016, the governing body of the school corporation consists of five (5) members, elected as provided in this chapter.

(b) Three (3) members shall be elected as follows:

(1) From districts established as provided in section 4.1 of this chapter.

(2) On a nonpartisan basis.

(3) At the general election held in the county in ~~2016~~ 2018 and every four (4) years thereafter.

(c) Two (2) members shall be elected as follows:

(1) At large by all the voters of the school corporation.

(2) On a nonpartisan basis.

(3) At the general election held in the county in 2016 and every four (4) years thereafter.

(d) The term of office of a member of the governing body:

(1) is four (4) years; and

(2) begins January 1 after the election of members of the governing body.

(e) Upon assuming office and in conducting the business of the governing body, a member shall represent the interests of the entire school corporation.

SECTION 8. IC 20-23-17.2-3.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3.3. (a) **Notwithstanding section 3.1 of this chapter, as in effect on July 1, 2016, the members of the governing body described in section 3.1(b) of this chapter shall:**

(1) be elected at the general election held in the county in 2016; and

(2) serve a term of two (2) years.

(b) **The successors of the members of the governing body described in subsection (a) shall:**

(1) be elected at the general election held in the county in 2018; and

(2) serve a term of four (4) years.

(c) This section expires January 1, 2023.

SECTION 9. IC 20-23-17.2-4 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 4. (a) ~~The boundaries of the districts from which members of the governing body of the school corporation are elected under section 3(a)(1) of this chapter are the same as the boundaries of the common council districts of the city that are drawn under IC 36-4-6.~~

(b) This section expires January 1, 2017.

SECTION 10. IC 20-23-17.2-9 IS REPEALED [EFFECTIVE UPON PASSAGE]. Sec. 9. ~~The members of the governing body of the school corporation shall be elected at the general election to be held in 2016 and every four (4) years thereafter.~~

SECTION 11. IC 20-24-3-3, AS AMENDED BY P.L.280-2013, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. The organizer's constitution, charter, articles, or bylaws must contain a clause providing that upon ~~dissolution~~: the cessation of operation of the charter school:

(1) the remaining assets of the charter school shall be distributed first to satisfy outstanding payroll obligations for employees of the charter school, then to creditors of the charter school, then to any outstanding debt to the common school fund; and

(2) the remaining funds received from the department shall be returned to the department not more than thirty (30) days after ~~dissolution~~: the charter school ceases operation due to:

(A) closure of the charter school;

(B) nonrenewal of the charter school's charter; or

(C) revocation of the charter school's charter.

If the assets of the charter school are insufficient to pay all parties to whom the charter school owes compensation under subdivision (1), the priority of the distribution of assets may be determined by a court.

SECTION 12. IC 20-24-3-5.5, AS AMENDED BY P.L.221-2015, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5.5. (a) This section applies to an authorizer that is not the executive of a consolidated city.

(b) Before issuing a charter, the authorizer must conduct a public hearing concerning the establishment of the proposed charter school. The public hearing must be held within ~~either the county or the school corporation where the proposed charter school would be located.~~ **If the location of the proposed charter school has not been identified, the public hearing must be held within the county where the proposed charter school would be located.** At the public hearing, the governing body of the school corporation in which the proposed charter school will be located must be given an opportunity to comment on the effect of the proposed charter school on the school corporation, including any foreseen negative impacts on the school corporation.

SECTION 13. IC 20-24-3-14, AS AMENDED BY P.L.280-2013, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 14. (a) This section applies to ~~university authorizers~~: **state educational institutions described in IC 20-24-1-2.5(2).**

(b) Except as provided in subsection (c), the ultimate responsibility for choosing to authorize a charter school and responsibilities for maintaining authorization rest with the university's board of trustees.

(c) The university's board of trustees may vote to assign authorization authority and authorization responsibilities to another person or entity that functions under the direction of the university's board. A decision made under this subsection shall be communicated in writing to the department and the charter school review panel.

(d) Before a university may authorize a charter school, the university must conduct a public meeting with public notice in the ~~county school corporation~~ where the charter school will be located. **If the location of the proposed charter school has not been identified, the public hearing must be held within the county where the proposed charter school would be located.**

SECTION 14. IC 20-24-3-14.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 14.1. (a) **This section applies to nonprofit colleges and universities described in IC 20-24-1-2.5(5).**

(b) Except as provided in subsection (c), the ultimate responsibility for choosing to authorize and for maintaining authorization rests with the nonprofit college's or university's board of trustees.

(c) Beginning January 1, 2017, the nonprofit college's or university's board of trustees shall assign authorization authority and authorization responsibilities to a separate legal entity that functions under the direction of the nonprofit college's or university's board. A decision made under this subsection shall be communicated in writing to the department and the state board.

(d) An entity created under subsection (c) is subject to the requirements of IC 5-14-1.5 and IC 5-14-3. Creation of an entity under subsection (c) by a nonprofit college or university described in IC 20-24-1-2.5(5) does not subject the nonprofit college or university itself to the requirements of IC 5-14-1.5 and IC 5-14-3 unless otherwise required by law.

(e) Before an entity created under subsection (c) may authorize a charter school, the entity must conduct a public meeting with public notice in the school corporation where the charter school will be located. If the location of the proposed charter school has not been identified, the public hearing must be held within the county where the proposed charter school would be located.

SECTION 15. IC 20-24-7-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 15. A charter school is considered a school corporation for purposes of any state or federal funding opportunities administered by the department or any other state agency that are otherwise available to a school corporation as described in IC 20-18-2-16(a).

SECTION 16. IC 20-26-5-37.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 37.2. (a) This section applies to school corporations and charter schools that are required to do any of the following:

- (1) Pay to the Internal Revenue Service employer and employee taxes imposed after June 30, 2016, under FICA.
- (2) Pay to the department of state revenue amounts that are deducted and withheld as taxes after June 30, 2016, under IC 6-3-4-8.

(b) As used in this section, "delinquency" or "delinquent" refers to either of the following:

- (1) Failing to pay FICA taxes within thirty (30) days after the taxes are due.
- (2) Failing to pay to the department of state revenue amounts that are deducted and withheld as taxes under IC 6-3-4-8 after June 30, 2016, (including any known accrued interest and penalties on those taxes) within thirty (30) days after the payment of those withheld taxes is due.

(c) As used in this section, "due date" refers to:

- (1) the date by which employer and employee taxes owed by a school corporation or a charter school under FICA must be paid to the Internal Revenue Service; or
- (2) the date by which amounts that are deducted and withheld as taxes under IC 6-3-4-8 must be paid to the department of state revenue;

as applicable.

(d) As used in this section, "FICA" refers to the Federal Insurance Contributions Act.

(e) As used in this section, "FICA taxes" refers to employer and employee taxes imposed after June 30, 2016, under FICA. The term includes any known accrued interest and penalties.

(f) If a school corporation or a charter school:

- (1) fails to pay FICA taxes in full to the Internal Revenue Service within thirty (30) days after the due date; or
- (2) fails to pay amounts that are deducted and withheld as taxes under IC 6-3-4-8 after June 30, 2016, (including any known accrued interest and penalties on those taxes) within thirty (30) days after the due date;

the school business official or school financial officer responsible for ensuring that a school corporation's or charter school's tax payments are made shall report the school corporation's or charter school's delinquency to the governing body of the school corporation or charter school not later than forty-five (45) days after the due date. The school official or school financial officer shall make a report under this subsection each time the school corporation or charter school fails to pay FICA taxes within thirty (30) days after the due date or fails to pay amounts that are deducted and withheld as taxes under IC 6-3-4-8 (including

any known accrued interest and penalties on those taxes) within thirty (30) days after the due date.

(g) Not later than thirty (30) days after receiving a report under subsection (f), the governing body of the school corporation or charter school shall hold a public meeting at which:

- (1) the governing body shall provide a report on the school corporation's or charter school's failure to pay:
  - (A) FICA taxes; or
  - (B) amounts that are deducted and withheld as taxes under IC 6-3-4-8;
 as applicable; and
- (2) interested parties are permitted to testify regarding the school corporation's or charter school's failure to pay FICA taxes or amounts that are deducted and withheld as taxes under IC 6-3-4-8 (as applicable).

(h) This subsection applies if, within a three hundred sixty-five (365) day period, a school corporation or charter school is:

- (1) delinquent in paying FICA taxes two (2) or more times; or
- (2) delinquent in paying amounts that are deducted and withheld as taxes under IC 6-3-4-8 after June 30, 2016, two (2) or more times.

Not later than forty-five (45) days after a school corporation or charter school is delinquent for the second or subsequent time, the school corporation or charter school shall notify the department, the budget agency, and the distressed unit appeal board of the delinquency.

SECTION 17. IC 20-26-11-33 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 33. (a) Notwithstanding a policy adopted under section 32(a) of this chapter, a school corporation may accept a student who does not have legal settlement in the school corporation into an alternative education program (as defined in IC 20-30-8-1).

(b) A school corporation that accepts students under subsection (a) is not subject to the requirements set forth in section 32 of this chapter other than those requirements set forth in section 32(g), 32(h), 32(j), 32(k), and 32(l) of this chapter.

SECTION 18. IC 20-27-3-4, AS AMENDED BY P.L.107-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) The committee has the following powers:

- (1) The committee may adopt rules under IC 4-22-2 establishing standards for the construction of school buses and special purpose buses, including minimum standards for the construction of school buses and special purpose buses necessary to be issued a:
  - (A) valid certificate of inspection decal; and
  - (B) temporary certificate of inspection decal described in IC 20-27-7-10.
- (2) The committee may adopt rules under IC 4-22-2 establishing standards for the equipment of school buses and special purpose buses, including minimum standards for the equipment of school buses and special purpose buses necessary to be issued a:
  - (A) valid certificate of inspection decal; and
  - (B) temporary certificate of inspection decal described in IC 20-27-7-10.
- (3) The committee may adopt rules under IC 4-22-2 specifying the minimum standards that must be met to avoid the issuance of an out-of-service certificate of inspection decal.
- (4) The committee may provide for the inspection of all school buses and special purpose buses, new or old, that are offered for sale, lease, or contract.
- (5) The committee may provide for the annual inspection



of all school buses and special purpose buses and the issuance of certificate of inspection decals.

(6) The committee may maintain an approved list of school buses and special purpose buses that have passed inspection tests under subdivision (4) or (5).

(7) The committee may, subject to approval by the state board of accounts, prescribe standard forms for school bus driver contracts.

(8) The committee may hear appeals brought under IC 20-27-7-15 **and IC 20-27-8-15.**

(b) The committee shall adopt rules under IC 4-22-2 to set performance standards and measurements for determining the physical ability necessary for an individual to be a school bus driver.

(c) The certificate of inspection decals shall be issued to correspond with each school year. Each certificate of inspection decal expires on September 30 following the school year in which the certificate of inspection decal is effective. However, for buses that are described in IC 20-27-7-7, the certificate of inspection decal expires on a date that is not later than seven (7) months after the date of the first inspection for the particular school year.

SECTION 19. IC 20-27-8-1, AS AMENDED BY P.L.219-2015, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1. (a) An individual may not drive a school bus for the transportation of students or be employed as a school bus monitor unless the individual satisfies the following requirements:

- (1) Is of good moral character.
- (2) Does not use intoxicating liquor during school hours.
- (3) Does not use intoxicating liquor to excess at any time.
- (4) Is not addicted to any narcotic drug.
- (5) Is at least:

- (A) twenty-one (21) years of age for driving a school bus; or
- (B) eighteen (18) years of age for employment as a school bus monitor.

(6) In the case of a school bus driver, holds a valid public passenger chauffeur's license or commercial driver's license issued by the state or any other state.

(7) Possesses the following required physical characteristics:

- (A) Sufficient physical ability to be a school bus driver, as determined by the committee.
- (B) The full normal use of both hands, both arms, both feet, both legs, both eyes, and both ears.
- (C) Freedom from any communicable disease that:
  - (i) may be transmitted through airborne or droplet means; or
  - (ii) requires isolation of the infected person under 410 IAC 1-2.3.
- (D) Freedom from any mental, nervous, organic, or functional disease that might impair the person's ability to properly operate a school bus.
- (E) This clause does not apply to a school bus monitor.

Visual acuity, with or without glasses, of at least 20/40 in each eye and a field of vision with one hundred fifty (150) degree minimum and with depth perception of at least eighty percent (80%) **or thirty-three (33) seconds of arc or less angle of stereopsis.**

(b) This subsection applies to a school bus monitor. Notwithstanding subsection (a)(5)(B), a school corporation or school bus driver may not employ an individual who is less than twenty-one (21) years of age as a school bus monitor unless the school corporation or school bus driver does not receive a sufficient number of qualified applicants for employment as a school bus monitor who are at least twenty-one (21) years of age. A school corporation or school bus driver shall maintain a record of applicants, their ages, and their qualifications to show compliance with this subsection.

SECTION 20. IC 20-27-8-15, AS ADDED BY P.L.1-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 15. (a) The driver of a school bus for a public or nonpublic school that is accredited by the state board shall have in the school bus driver's possession, while transporting passengers, a certificate that states the school bus driver has:

- (1) enrolled in or completed a course in school bus driver safety education as required under sections 9 and 10 of this chapter; or
- (2) operated a school bus at least thirty (30) days during the three (3) year period preceding the effective date of the school bus driver's employment.

(b) A certificate of enrollment in or completion of the course or courses in school bus driver safety education shall be prescribed by the committee and completed by the designated representative of the committee.

(c) A driver of a school bus who fails to complete the school bus driver safety education course or courses, as required, shall be reported by the person who conducted the course to the committee and to the school corporation where the school bus driver is employed or under contract.

(d) A driver of a school bus who fails to complete the school bus driver safety education course or courses, as required, may not drive a school bus within Indiana while transporting a student.

**(e) The department may at any time order the revocation of a driver's certificate of completion of the school bus driver safety education training due to:**

- (1) fraudulent completion of the annual safety meeting or workshop required under section 9 of this chapter; or**
- (2) circumstances endangering the safe transportation of students, including the following:**

**(A) Permanent revocation for a:**

- (i) conviction for a felony or for a Class A misdemeanor that endangers the safety or safe transportation of a student; or**
- (ii) positive drug or alcohol test result that does not fall under the return to duty policy of the employing school corporation.**

**(B) A two (2) year revocation for a conviction for a Class B misdemeanor that endangers the safety or safe transportation of a student.**

**(C) A one (1) year revocation for a:**

- (i) conviction for a Class C misdemeanor; or**
- (ii) judgment for a Class A infraction;**

**that endangers the safety or safe transportation of a student.**

**(D) A six (6) month revocation for a judgment for a Class B or Class C infraction that endangers the safety or safe transportation of a student.**

SECTION 21. IC 20-28-4-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. **Unless otherwise required under this chapter, an individual may enroll in a program and receive a transition to teaching license without passing a content area examination before admission to the program.**

SECTION 22. IC 20-28-9-25 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 25. **For purposes of the federal teacher loan forgiveness program provided under 34 CFR 682.216(a)(4), "secondary school" includes any eligible elementary or secondary school at which a highly qualified teacher in a high needs area (as defined in 34 CFR 682.216(b)) is employed.**

SECTION 23. IC 20-34-8-2, AS ADDED BY P.L.139-2014, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. As used in this chapter,

"athletic activity" includes the following:

- (1) An athletic contest or competition conducted between or among schools.
- (2) ~~An intramural athletic contest or competition that is sponsored by or associated with a school.~~
- (3) ~~(2) Competitive and noncompetitive cheerleading that is sponsored by or associated with a school.~~

SECTION 24. IC 21-18-13-3, AS ADDED BY P.L.139-2014, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. As used in this chapter, "athletic activity" includes the following:

- (1) An athletic contest or competition conducted between or among postsecondary educational institutions.
- (2) ~~An intramural athletic contest or competition that is sponsored by or associated with a postsecondary educational institution.~~
- (3) ~~(2) Competitive and noncompetitive cheerleading that is sponsored by or associated with a postsecondary educational institution.~~

SECTION 25. [EFFECTIVE UPON PASSAGE] (a) The following parts of rules are void:

- (1) 511 IAC 10.1-3-3(2).
- (2) 511 IAC 10.1-3-4(2).
- (3) 511 IAC 10.1-3-5(2).
- (4) 511 IAC 10.1-3-6(2).
- (5) 511 IAC 16-4-2(b)(3).
- (6) 511 IAC 16-4-2(b)(5).
- (7) 511 IAC 16-4-2(f).

The publisher of the Indiana Administrative Code and the Indiana Register shall remove these provisions from the Indiana Administrative Code.

(b) This SECTION expires June 30, 2017.

SECTION 26. [EFFECTIVE UPON PASSAGE] (a) The legislative council is urged to assign the following topics to an appropriate study committee during the 2016 legislative interim:

- (1) Determining graduation rates, including the feasibility of amending the definition of "cohort" for purposes of determining graduation rates to exclude students who are pursuing a certificate of completion under an individualized education program.
- (2) Methods to ensure opportunities for secondary school students to earn college credits while enrolled in high school and to provide incentives for a teacher to obtain a master's degree or at least eighteen (18) hours of graduate course work in the subject matter the teacher is teaching or wishes to teach as part of a dual credit course, including:
  - (A) providing graduate programs that combine summer, evening, online, and weekend classes;
  - (B) completing a supervised practicum while teaching;
  - (C) encouraging primary and secondary schools to establish programs to mentor new teachers;
  - (D) offering scholarships for returning dual credit teachers; and
  - (E) providing flexibility to school corporations to establish pay scales that reflect the value of teachers with master's degrees.
- (3) The feasibility of allowing a school corporation and an individual teacher to voluntarily enter into an employment contract that contains terms that differ from the terms set forth in a collective bargaining agreement, and issues related to the topic.
- (4) Issues related to the establishment of special education scholarship accounts and a special education scholarship account fund.
- (5) The extent that a school corporation or school calendar influences the following:
  - (A) The development of Indiana's workforce through the impact on meaningful employment and

internship opportunities for high school students.

(B) Access to dual credit courses offered to high school students through Indiana's institutions of higher learning.

(C) Access to professional development for teachers.

(D) Economic development opportunities and tax revenue impacts for state and local governments.

(E) Cost of operation of school corporations and schools.

(F) Access to supplemental meal programs for Indiana students during school breaks.

(b) This SECTION expires December 31, 2016.

SECTION 27. An emergency is declared for this act.

(Reference is to ESB 93 as reprinted February 26, 2016.)

KRUSE	BEHNING
ROGERS	V. SMITH
Senate Conferees	House Conferees

Roll Call 427: yeas 96, nays 0. Report adopted.

Representative Stemler is excused.

#### CONFERENCE COMMITTEE REPORT

##### ESB 213-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill 213 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 36-8-16.6-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.5. As used in this chapter, "eligible telecommunications carrier" refers to a provider that is designated by the Indiana utility regulatory commission as an eligible telecommunications carrier for purposes of receiving Lifeline reimbursement from the universal service fund through the administrator designated by the Federal Communications Commission.

SECTION 2. IC 36-8-16.6-9, AS ADDED BY P.L. 113-2010, SECTION 151, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. (a) As used in this chapter, "retail transaction" means the purchase of prepaid wireless telecommunications service from a seller for any purpose other than resale.

(b) The term does not include a transaction in which an eligible telecommunications carrier receives Lifeline reimbursement from the universal service fund.

SECTION 3. IC 36-8-16.6-11, AS AMENDED BY P.L. 157-2015, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11. (a) The board shall impose an enhanced prepaid wireless charge on each retail transaction. ~~Except as provided in subsection (e),~~ The charge is not required to be paid by an eligible telecommunications carrier that is required to pay the monthly statewide 911 fee under IC 36-8-16.7-32 for the same transaction. The amount of the charge is one dollar (\$1). ~~(b)~~ The board may increase the enhanced prepaid wireless charge to ensure adequate revenue for the board to fulfill its duties and obligations under this chapter and IC 36-8-16.7. The following apply to an increase in the enhanced prepaid wireless charge:

- (1) The board may increase the charge only one (1) time after June 30, 2015, and before July 1, 2020.
- (2) The board may increase the charge only after review by the budget committee.

(3) If the board increases the charge, the amount of the increase must be ten cents (\$0.10).

(~~ε~~) (b) A consumer that is the federal government or an agency of the federal government is exempt from the enhanced prepaid wireless charge imposed under this section.

(~~δ~~) (c) This subsection applies to a provider that is designated by the Indiana utility regulatory commission as an eligible telecommunications carrier for purposes of receiving Lifeline reimbursement from the universal service fund through the administrator designated by the Federal Communications Commission. **A provider: An eligible telecommunications carrier:**

(1) is not considered an agency of the federal government for purposes of the exemption set forth in subsection (~~ε~~); (b); and

(2) with respect to prepaid wireless telecommunications service provided to end users by the **provider eligible telecommunications carrier** in its capacity as an eligible telecommunications carrier, is liable for the **enhanced prepaid wireless** charge imposed under subsection (~~ε~~); (d).

(~~ε~~) A provider described in subsection (d) shall pay to the board the following charges: (1) Not later than August 1, 2015, a one (1) time charge equal to the product of the following factors: (A) The enhanced prepaid wireless charge established under subsection (a); (B) The number of unique end users for which the provider received reimbursement from the universal service fund during the immediately preceding month; (C) The number of months under the current service agreement between each end user described in clause (B) and the provider for which the provider has received reimbursement from the universal service fund before August 1, 2015; (2) (d) Beginning September 1, 2015, and on the first day of each month thereafter, **an eligible telecommunications carrier described in subsection (c) shall pay to the board** a charge equal to the product of the following factors:

(A) (1) The enhanced prepaid wireless charge established under subsection (a).

(B) (2) The number of unique end users for which the **provider eligible telecommunications carrier** received reimbursement from the universal service fund during the immediately preceding month.

The **provider eligible telecommunications carrier** may bill and collect from each end user the charges calculated under this **subdivision subsection** with respect to the end user. The **provider eligible telecommunications carrier** shall determine the manner in which the **provider eligible telecommunications carrier** bills and collects the charges. **A provider Except as provided in section 15 of this chapter, an eligible telecommunications carrier** may not bill and collect from an end user an amount greater than the charges paid by the **provider eligible telecommunications carrier** to the board with respect to the end user.

SECTION 4. IC 36-8-16.6-13, AS AMENDED BY P.L.132-2012, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. The enhanced prepaid wireless charge is the liability of the consumer and not of the seller or a provider. However, **except as provided in section 15 of this chapter**, a seller is liable to remit to the department all enhanced prepaid wireless charges that the seller collects from consumers under section 12 of this chapter, including all charges that the seller is considered to collect where the amount of the charge has not been separately stated on an invoice, receipt, or other similar document provided to the consumer by the seller.

SECTION 5. IC 36-8-16.6-15, AS ADDED BY P.L.113-2010, SECTION 151, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. A seller **or an eligible telecommunications carrier** may deduct and retain one percent (1%) of **enhanced prepaid wireless** charges that the seller **or eligible telecommunications carrier** collects

from consumers **under section 11 or 12 of this chapter**, to reimburse the direct costs incurred by the seller **or eligible telecommunications carrier** in collecting and remitting **enhanced prepaid wireless** the charges.

SECTION 6. IC 36-8-16.7-8.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8.7. **As used in this chapter, "eligible telecommunications carrier" refers to a provider that is designated by the Indiana utility regulatory commission as an eligible telecommunications carrier for purposes of receiving Lifeline reimbursement from the universal service fund through the administrator designated by the Federal Communications Commission."**

Page 2, delete lines 1 through 36.

Page 5, delete lines 23 through 42, begin a new paragraph and insert:

"SECTION 8. IC 36-8-16.7-32, AS AMENDED BY P.L.157-2015, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 32. (a) Except as provided in subsections (~~ε~~) (b) and (~~ε~~); (d), and subject to subsection (b) and section 48(e) of this chapter, the board shall assess a monthly statewide 911 fee on each standard user that is a customer having a place of primary use in Indiana at a rate that (1) ensures full recovery of the amount needed for the board to make distributions to county treasurers consistent with this chapter and (2) that provides for the proper development, operation, and maintenance of a statewide 911 system. **Except as provided in subsection (g);** The amount of the fee assessed under this subsection is one dollar (\$1). (~~ε~~) The board may adjust the statewide 911 fee to ensure adequate revenue for the board to fulfill the board's duties and obligations under this chapter, subject to the following:

(1) The following apply to an increase in the fee:

(A) The board may increase the fee only one (1) time after June 30, 2015, and before July 1, 2020.

(B) The board may increase the fee only after review by the budget committee.

(C) If the board increases the fee, the amount of the increase must be ten cents (\$0.10).

(2) The fee may not be lowered more than one (1) time in a calendar year.

(3) The fee may not be lowered by an amount that is more than ten cents (\$0.10) without legislative approval.

(~~ε~~) (b) The fee assessed under this section does not apply to a prepaid user in a retail transaction under IC 36-8-16.6.

(~~δ~~) (c) An additional fee relating to the provision of 911 service may not be levied by a state agency or local unit of government. An enhanced prepaid wireless charge (as defined in IC 36-8-16.6-4) is not considered an additional fee relating to the provision of wireless 911 service for purposes of this section.

(~~ε~~) (d) A user is exempt from the fee if the user is any of the following:

(1) The federal government or an agency of the federal government.

(2) The state or an agency or instrumentality of the state.

(3) A political subdivision (as defined in IC 36-1-2-13) or an agency of a political subdivision.

(4) A user that accesses communications service solely through a wireless data only service plan.

(~~ε~~) (e) This subsection applies to a **provider that is designated by the Indiana utility regulatory commission** as an eligible telecommunications carrier for purposes of receiving Lifeline reimbursement from the universal service fund through the administrator designated by the Federal Communications Commission. **A provider: An eligible telecommunications carrier:**

(1) is not considered an agency of the federal government for purposes of the exemption set forth in subsection (~~ε~~); (d); and

(2) with respect to communications service provided to end users by the **provider eligible telecommunications carrier** in its capacity as an eligible telecommunications carrier, is liable for the **statewide 911** fee assessed under subsection (g): (f).

(g) A provider described in subsection (f) shall pay to the board the following fees: (1) Not later than August 1, 2015, a fee equal to the product of the following factors: (A) The monthly statewide 911 fee established under subsection (a); (B) The number of unique end users for which the provider received reimbursement from the universal service fund during the immediately preceding month; (C) The number of months under the current service agreement between each end user described in clause (B) and the provider for which the provider has received reimbursement from the universal service fund before August 1, 2015; (2) (f) Beginning September 1, 2015, and on the first day of each month thereafter, **an eligible telecommunications carrier described in subsection (e) shall pay to the board a monthly statewide 911 fee** equal to the product of the following factors:

(A) (1) The monthly statewide 911 fee established under subsection (a).

(B) (2) The number of unique end users for which the **provider eligible telecommunications carrier** received reimbursement from the universal service fund during the immediately preceding month.

The **provider eligible telecommunications carrier** may bill and collect from each end user the fees calculated under this **subdivision subsection** with respect to the end user. The **provider eligible telecommunications carrier** shall determine the manner in which the provider bills and collects the fees. **A provider Except as provided in section 33(c) of this chapter, an eligible telecommunications carrier** may not bill and collect from an end user an amount greater than the fees paid by the **provider eligible telecommunications carrier** to the board with respect to the end user.

SECTION 9. IC 36-8-16.7-33, AS ADDED BY P.L.132-2012, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 33. (a) As part of the provider's normal monthly billing process, a provider:

- (1) shall collect the fee from each standard user that is a customer having a place of primary use in Indiana; and
- (2) may list the fee as a separate line item on each bill.

If a provider receives a partial payment for a monthly bill from a standard user, the provider shall apply the payment against the amount the standard user owes to the provider before applying the payment against the fee. A provider may not prorate the monthly 911 fee collected from a user.

(b) Subject to subsection (c), a provider shall remit statewide 911 fees collected under this section to the board at the time and in the manner prescribed by the board. However, the board shall require a provider to report to the board, no less frequently than on an annual basis, the amount of fees collected from all of the provider's customers described in subsection (a)(1) and remitted to the board under this section. The board may require a provider to submit a report required under this subsection at the same time that the provider remits fees to the board under this section. The board shall deposit all remitted statewide 911 fees in the fund.

(c) A provider, **including an eligible telecommunications carrier under section 32(f) of this chapter**, may deduct and retain an amount not to exceed one percent (1%) of **statewide 911** fees that the provider collects from users **under this section or section 32 of this chapter**, to reimburse the direct costs incurred by the provider in collecting and remitting **statewide 911** the fees.

SECTION 10. IC 36-8-16.7-34, AS ADDED BY P.L.132-2012, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 34. The

statewide 911 fee is the liability of the user and not of a provider. However, **except as provided in section 33(c) of this chapter**, a provider is liable to remit to the board all statewide 911 fees that the provider collects from users."

Delete page 6.

Page 7, delete lines 1 through 16.

Renumber all SECTIONS consecutively.

(Reference is to ESB 213 as reprinted March 3, 2016.)

HERSHMAN	KARICKHOFF
RANDOLPH	PIERCE
Senate Conferees	House Conferees

Roll Call 428: yeas 95, nays 0. Report adopted.

#### CONFERENCE COMMITTEE REPORT ESB 234-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill 234 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 20-34-7-1.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1.6. As used in this chapter, "school" refers to a public school and an accredited nonpublic school.

SECTION 2. IC 20-34-7-1.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 1.7. As used in this chapter, "student athlete" means any student who:

- (1) attends a school;
- (2) is in grade 5, 6, 7, 8, 9, 10, 11, or 12; and
- (3) participates in any:

(A) interscholastic sport, including cheerleading; or  
(B) intramural sport, including cheerleading, in which the head coach or assistant coach elects to comply or as part of the head coach's or assistant coach's coaching certification requirements is required to comply with this chapter.

SECTION 3. IC 20-34-7-3, AS ADDED BY P.L.144-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. Each year, before beginning practice for an interscholastic sport or an intramural sport in which a head coach or assistant coach elects to or is required to comply with this chapter, a high school student athlete and the student athlete's parent:

- (1) must be given the information sheet and form described in section 2 of this chapter; and
- (2) shall sign and return the form acknowledging the receipt of the information to the student athlete's coach.

The coach shall maintain a file of the completed forms.

SECTION 4. IC 20-34-7-4, AS ADDED BY P.L.144-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. A high school student athlete who is suspected of sustaining a concussion or head injury in a practice or game:

- (1) shall be removed from play at the time of the injury; and
- (2) may not return to play until the student athlete has received a written clearance under section 5(a) of this chapter.

SECTION 5. IC 20-34-7-5, AS AMENDED BY P.L.144-2011, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) A high

school student athlete who has been removed from play under section 4 of this chapter may not return to play until:

- (1) the student athlete:
  - (A) is evaluated by a licensed health care provider trained in the evaluation and management of concussions and head injuries; and
  - (B) receives a written clearance to return to play from the health care provider who evaluated the student athlete; and
- (2) not less than twenty-four (24) hours have passed since the student athlete was removed from play.

(b) A licensed health care provider who evaluates a student athlete under subsection (a) may conduct the evaluation as a volunteer. A volunteer health care provider who in good faith and gratuitously authorizes a student athlete to return to play is not liable for civil damages resulting from an act or omission in the rendering of an evaluation, except for acts or omissions that constitute gross negligence or willful or wanton misconduct.

SECTION 6. IC 20-34-7-6, AS AMENDED BY P.L.222-2015, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 6. (a) As used in this section, "football" does not include flag football.

(b) Prior to coaching football to individuals who are less than twenty (20) years of age and are in grades 1 through 12, each head football coach and assistant football coach shall complete a certified coaching education course that:

- (1) is sport specific;
- (2) contains player safety content, including content on:
  - (A) concussion awareness;
  - (B) equipment fitting;
  - (C) heat emergency preparedness; and
  - (D) proper technique;
- (3) requires a coach to complete a test demonstrating comprehension of the content of the course; and
- (4) awards a certificate of completion to a coach who successfully completes the course.

(c) For a coach's completion of a course to satisfy the requirement imposed by subsection (b), the course must have been approved by the department.

(d) A coach shall complete a course not less than once during a two (2) year period. However, if the coach receives notice from the organizing entity that new information has been added to the course before the end of the two (2) year period, the coach must:

- (1) complete instruction; and
- (2) successfully complete a test;

concerning the new information to satisfy the requirement imposed by subsection (b).

(e) An organizing entity shall maintain a file of certificates of completion awarded under subsection (b)(4) to any of the organizing entity's head coaches and assistant coaches.

(f) A coach who complies with this ~~section~~ **chapter** and provides coaching services in good faith is not personally liable for damages in a civil action as a result of a concussion or head injury incurred by an athlete participating in an athletic activity in which the coach provided coaching services, except for an act or omission by the coach that constitutes gross negligence or willful or wanton misconduct.

SECTION 7. IC 20-34-7-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 7. (a) This section applies after June 30, 2017.**

**(b) This section applies to a head coach or assistant coach who:**

- (1) coaches any:
  - (A) interscholastic sport; or
  - (B) intramural sport and elects to comply or as part of the head coach's or assistant coach's coaching certification requirements is required to comply with this chapter; and

**(2) is not subject to section 6 of this chapter.**

**(c) Before coaching a student athlete in any sport, a head coach and every assistant coach described in subsection (b) must complete a certified coaching education course that:**

- (1) contains player safety content on concussion awareness;**
- (2) requires a head coach or an assistant coach to complete a test demonstrating comprehension of the content of the course; and**
- (3) awards a certificate of completion to a head coach or an assistant coach who successfully completes the course.**

**(d) A course described in subsection (c) must be approved by the department, in consultation with a physician licensed under IC 25-22.5 who has expertise in the area of concussions and brain injuries. The department may, in addition to consulting with a physician licensed under IC 25-22.5, consult with other persons who have expertise in the area of concussions and brain injuries.**

**(e) A head coach and every assistant coach described in subsection (b) must complete a course described in subsection (c) at least once each two (2) year period. If a head coach or an assistant coach receives notice from the school that new information has been added to the course before the end of the two (2) year period, the head coach or the assistant coach shall:**

- (1) complete instruction; and**
- (2) successfully complete a test;**

**concerning the new information to satisfy subsection (c).**

**(f) Each school shall maintain all certificates of completion awarded under subsection (c)(3) to each of the school's head coaches and assistant coaches.**

**(g) A head coach or an assistant coach described in subsection (b) who complies with this chapter and provides coaching services in good faith is not personally liable for damages in a civil action as a result of a concussion or head injury incurred by a student athlete participating in an athletic activity for which the head coach or the assistant coach provided coaching services, except for an act or omission by the head coach or the assistant coach that constitutes gross negligence or willful or wanton misconduct.**

SECTION 8. IC 34-30-2-85.9, AS ADDED BY P.L.34-2014, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 85.9. IC 20-34-7-6 and IC 20-34-7-7 (Concerning coaches and assistant coaches).

(Reference is to ESB 234 as reprinted March 3, 2016.)

GROOMS	BEHNING
LANANE	ERRINGTON
Senate Conferees	House Conferees

Roll Call 429: yeas 95, nays 0. Report adopted.

Representative Bartlett is excused.

#### CONFERENCE COMMITTEE REPORT ESB 279-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill 279 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

Page 9, line 28, strike "one hundred twenty-five (125)" and insert "five hundred twenty-five (525)".

Page 9, line 33, strike "one hundred twenty-five (125)" and insert "five hundred twenty-five (525)".

Page 10, line 6, strike "one hundred".

Page 10, line 7, strike "twenty-five (125)" and insert "**five hundred twenty-five (525)**".

(Reference is to ESB 279 as reprinted February 26, 2016.)

KRUSE	TRUITT
STOOPS	PIERCE
Senate Conferees	House Conferees

Roll Call 430: yeas 94, nays 0. Report adopted.

Representatives Bartlett and Stemler, who had been excused, are now present.

#### CONFERENCE COMMITTEE REPORT ESB 295-1

Mr. Speaker: Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill 295 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

SECTION 1. IC 6-8.1-9-4, AS AMENDED BY P.L.288-2013, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) Every individual (other than a nonresident) who files an individual income tax return and who is entitled to a refund from the department of state revenue because of the overpayment of income tax for a taxable year may designate on the individual's annual state income tax return that either a specific amount or all of the refund to which the individual is entitled shall be paid over to one (1) or more of the funds described in subsection (c). If the refund to which the individual is entitled is less than the total amount designated to be paid over to one (1) or more of the funds described in subsection (c), all of the refund to which the individual is entitled shall be paid over to the designated funds, but in an amount or amounts reduced proportionately for each designated fund. If an individual designates all of the refund to which the individual is entitled to be paid over to one (1) or more of the funds described in subsection (c) without designating specific amounts, the refund to which the individual is entitled shall be paid over to each fund described in subsection (c) in an amount equal to the refund divided by the number of funds described in subsection (c), rounded to the lowest cent, with any part of the refund remaining due to the effects of rounding to be deposited in the nongame fund.

(b) Every husband and wife (other than nonresidents) who file a joint income tax return and who are entitled to a refund from the department of state revenue because of the overpayment of income tax for a taxable year may designate on their annual state income tax return that either a specific amount or all of the refund to which they are entitled shall be paid over to one (1) or more of the funds described in subsection (c). If the refund to which a husband and wife are entitled is less than the total amount designated to be paid over to one (1) or more of the funds described in subsection (c), all of the refund to which the husband and wife are entitled shall be paid over to the designated funds, but in an amount or amounts reduced proportionately for each designated fund. If a husband and wife designate all of the refund to which the husband and wife are entitled to be paid over to one (1) or more of the funds described in subsection (c) without designating specific amounts, the refund to which the husband and wife are entitled shall be paid over to each fund described in subsection (c) in an amount equal to the refund divided by the number of funds described in subsection (c), rounded to the lowest cent, with any

part of the refund remaining due to the effects of rounding to be deposited in the nongame fund.

(c) Designations under subsection (a) or (b) may be directed only to the following funds:

- (1) The nongame fund.
- (2) The state general fund for exclusive use in funding public education for kindergarten through grade 12.

**(3) The military family relief fund.**

(d) The instructions for the preparation of individual income tax returns shall contain a description of the purposes of the following:

(1) The nongame and endangered species program. The description of this program shall be written in cooperation with the department of natural resources.

(2) The funding of public education for kindergarten through grade 12. The description of this purpose shall be written in cooperation with the state superintendent of public instruction.

**(3) The funding for financial assistance to qualified service members (as defined in IC 10-17-12-7.5) and their families. The description of this purpose shall be written in cooperation with the Indiana department of veterans' affairs.**

(e) The department shall interpret a designation on a return under subsection (a) or (b) that is illegible or otherwise not reasonably discernible to the department as if the designation had not been made.

SECTION 2. IC 10-16-7-23, AS AMENDED BY SEA 362-2016, SECTION 1, AND AS AMENDED BY HEA 1373-2016, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 23. (a) As used in this section, "active duty" means:

- (1) training or duty under federal law;
- (2) state active duty under an order of a governor of another state as provided by law; or
- (3) state active duty under section 7 of this chapter;

performed under an order of the governor.

(b) The rights, benefits, and protections of the federal Servicemembers Civil Relief Act, 50 U.S.C. App. 501 et seq., apply to a member of:

- (1) the Indiana National Guard; or
- (2) the National Guard of another state;

ordered to active duty for at least thirty (30) consecutive days.

(c) With respect to a member or reserve member of:

- (1) the Indiana National Guard; or
- (2) the National Guard of another state;

ordered to state active duty, a person is not subject to remedies and penalties under this section or IC 10-16-20 for failure to comply with the federal Servicemembers Civil Relief Act, 50 U.S.C. App. 501 et seq., unless the member or member's dependent provides documentation to the person that the person is a member or reserve member of ~~(4)~~ the Indiana National Guard or ~~(2)~~ the National Guard of another state, ordered to state active duty for at least thirty (30) consecutive days.

(d) The rights, benefits, and protections of the federal Uniformed Services Employment and Reemployment Rights Act, 38 U.S.C. 4301 et seq., as amended and in effect on January 1, 2003, apply to a member of:

- (1) the Indiana National Guard; or
- (2) the National Guard of another state;

ordered to active duty.

(e) Nothing in this section shall be construed as a restriction or limitation on any of the rights, benefits, and protections granted to a member of:

- (1) the Indiana National Guard; or
- (2) the National Guard of another state;

under federal law.

SECTION 3. IC 10-16-20-2, AS AMENDED BY SEA 362-2016, SECTION 2, AND AS AMENDED BY HEA 1373-2016, SECTION 2, IS AMENDED TO READ AS

FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. The following definitions apply throughout this chapter:

(1) "Military service" means:

(A) in the case of a servicemember who is a member or reserve member of the Army, Navy, Air Force, Marine Corps, or Coast Guard, full-time duty in the active military service of the United States, including:

- (i) full-time training duty;
- (ii) annual training duty; and
- (iii) attendance while at a school designated as a service school by federal law or by the secretary of the military department concerned;

(B) in the case of a member or reserve member of the Indiana National Guard, service under a call to active:

- (i) service authorized by the President of the United States or the Secretary of Defense for a period of more than thirty (30) days in response to a national emergency declared by the President of the United States; or
- (ii) duty as defined by IC 10-16-7-23(a) for a period of more than thirty (30) consecutive days;

(C) in the case of a servicemember who is a commissioned officer of the Public Health Service or the National Oceanic and Atmospheric Administration, active service;

(D) in the case of a member or reserve member of the national guard of another state, service under an order by the governor of that state to active duty for *at least a period of more than thirty (30) consecutive days*; or

(E) any period during which a servicemember is absent from duty on account of sickness, wounds, leave, or other lawful cause.

(2) "Servicemember" means an individual engaged in military service.

SECTION 4. IC 10-17-1-4, AS AMENDED BY P.L.169-2013, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. The commission shall do acts necessary or reasonably incident to the fulfillment of the purposes of this chapter, including the following:

- (1) Adopt rules under IC 4-22-2 to administer this chapter.
- (2) Advise the veterans' state service officer in problems concerning the welfare of veterans.
- (3) Determine general administrative policies within the department.
- (4) Establish standards for certification of county and city service officers.
- (5) Establish and administer a written examination for renewal of the certification of county and city service officers.
- (6) **Submit, not later than December 31 of each year, an annual report to the legislative council in an electronic format under IC 5-14-6 and to the governor concerning the welfare of veterans.**

SECTION 5. IC 10-17-1-10, AS AMENDED BY P.L.169-2013, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 10. (a) Within thirty (30) days of their appointment, new county, or city service officers must attend a new service officer orientation presented by the Indiana department of veterans' affairs and, according to the standards established under section 4(4) of this chapter, become certified to assist veterans and their dependents and survivors. The curriculum for the new service officer orientation presented under this subsection shall be determined by the director.

(b) Within one (1) year of appointment, new service officers must attend a course presented by a national organization and become accredited to represent veterans.

(c) An individual employed as a county, or city service officer under this chapter ~~on July 1, 2013~~, is required to become

**accredited by a national veterans service organization through the United States Department of Veterans Affairs Office of General Counsel not later than July 1, 2015, one (1) year from the date of individual's employment, in order to represent veterans.**

(d) Annually, all county, or city service officers shall undergo a course of training to adequately address problems of discharged veterans in the service officer's county, or city, including a thorough familiarization with laws, rules, and regulations of the federal government and the state that affect benefits to which the veterans and dependents of the veterans are entitled. After a service officer has undergone this sustainer training and successfully passed a written test, the service officer shall be recertified by the director to assist veterans for the following year.

SECTION 6. IC 10-17-12-0.7, AS AMENDED BY P.L.169-2013, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 0.7. ~~(a)~~ The purpose of the fund established in section 8 of this chapter is to provide:

- ~~(1) short term financial assistance, including emergency one (1) time grants, to families of qualified service members for hardships that result from the qualified service members' active duty military service. and~~
- ~~(2) funding for:~~

~~(A) grants for reimbursement for training; and~~

~~(B) the purchase of computer equipment and software; for county and city veterans' service officers.~~

~~(b) Funding for the purposes described in subsection (a)(2) must be provided from the amount transferred to the fund under section 13 of this chapter.~~

SECTION 7. IC 10-17-12-1 IS REPEALED [EFFECTIVE JULY 1, 2016]. Sec. 1. As used in this chapter, "active duty" means full-time service in the:

~~(1) armed forces; or~~

~~(2) National Guard;~~

~~for a period that exceeds thirty (30) consecutive days.~~

SECTION 8. IC 10-17-12-7.5, AS ADDED BY P.L.50-2009, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 7.5. As used in this chapter, "qualified service member" means an individual who is **an Indiana resident and who:**

~~(1) an Indiana resident;~~

~~(2) a member of:~~

~~(A) the armed forces; or~~

~~(B) the National Guard; and~~

~~(3) serving on active duty:~~

~~(A) after September 11, 2001; and~~

~~(B) during a time of national conflict or war.~~

**(1) is:**

**(A) a member of the armed forces of the United States or the national guard (as defined in IC 5-9-4-4); and**

**(B) serving on or has served on active duty during a time of national conflict or war; or**

**(2) has:**

**(A) served on active duty during a time of national conflict or war in:**

**(i) the armed forces of the United States; or**

**(ii) the national guard (as defined in IC 5-9-4-4); and**

**(B) received an honorable discharge.**

SECTION 9. IC 10-17-12-8, AS AMENDED BY P.L.7-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8. (a) The military family relief fund is established to provide **short term** assistance with food, housing, utilities, medical services, basic transportation, child care, education, employment or workforce, and other essential family support expenses that have become difficult to afford for qualified service members or dependents



of qualified service members. The fund may also be used to provide for grants for reimbursement for training and for computer equipment and software for county and city veterans' service officers.

(b) Except as provided in section 9 of this chapter, the commission shall expend the money in the fund exclusively to provide grants for assistance as described in subsection (a).

(c) The commission shall give priority to applications for grants for assistance from the fund to qualified service members or dependents of qualified service members who have never received a grant under this chapter.

(d) Subject to the approval of the budget agency, the commission shall establish the maximum total dollar amount of grants that may be expended in a state fiscal year. Once the maximum total dollar amount of grants that may be expended in a state fiscal year is reached, no additional grants may be authorized until the start of the following state fiscal year.

(e) The director shall each year provide a report to the budget committee concerning the grant program under this chapter.

(f) A qualified service member or the qualified service member's dependent may be eligible to receive assistance from the fund.

(g) The commission shall administer the fund.

SECTION 10. IC 10-17-12-10, AS AMENDED BY P.L.113-2010, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 10. (a) The commission ~~may~~ **shall** adopt rules under IC 4-22-2 for the provision of grants under this chapter. **Subject to subsection (b), the rules adopted under this section must address the following:**

- (1) Uniform need determination procedures.
- (2) Eligibility criteria, **including income eligibility standards, asset limit eligibility standards, and other standards concerning when assistance may be provided.**
- (3) Application procedures.
- (4) Selection procedures.
- (5) ~~Coordination with~~ **A consideration of the extent to which an individual has used assistance available from other assistance programs before assistance may be provided to the individual from the fund.**
- (6) Other areas in which the department determines that rules are necessary to ensure the uniform administration of the grant program under this chapter.

**(b) The following apply to grants awarded under this chapter:**

**(1) An applicant is not eligible for a grant from the fund if:**

- (A) the qualified service member with respect to whom the application is based has been discharged; and**
- (B) the qualified service member's term of qualifying military service was less than twelve (12) months.**

**(2) The income eligibility standards must be based on the federal gross income of the qualified service member and the qualified service member's spouse.**

SECTION 11. IC 10-17-12-13 IS REPEALED [EFFECTIVE JULY 1, 2016]. Sec. 13: (a) The commission shall transfer one hundred eighty thousand dollars (\$180,000) from the veterans' affairs trust fund established by IC 10-17-13-3 to the fund:

(b) There is appropriated to the commission one hundred eighty thousand dollars (\$180,000) from the fund for:

- (1) grants for training county and city veterans' service officers under IC 10-17-1-10; and**
- (2) the purchase of computer equipment and software to be used by the city and county veterans' service officers.**

(c) A county or city veterans' service officer may receive a grant for reimbursement for training expenses associated with service officer training, including travel and incidental expenses

of eligible county and city veterans' service officers seeking initial or renewal service officer accreditation. A county or city veterans' service officer may receive a grant under this subsection in an amount not to exceed five hundred dollars (\$500) for reimbursement. The commission shall set standards for the reimbursement grants. A county or city veterans' service officer may apply to the commission for a reimbursement grant, and the commission may make a grant based on the commission's review of an application.

(d) A county or city that employs a veterans' service officer may receive a grant, in an amount not to exceed one thousand two hundred dollars (\$1,200), for reimbursement for computer equipment and software to enable the veterans' service officer to access national data bases for benefits for veterans. The commission shall set standards for the review of grants for the purchase of computer equipment and software under this subsection. A county or city may apply to the commission for a grant for reimbursement for the purchase of computer equipment and software, and the commission may make a grant based on the commission's review of an application.

SECTION 12. IC 10-17-13-3, AS AMENDED BY P.L.50-2009, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) The veterans' affairs trust fund is established **as a trust fund** to provide a self-sustaining funding source for the military family relief fund established by IC 10-17-12-8.

(b) The fund consists of the following:

- (1) Appropriations by the general assembly.
- (2) Donations, gifts, grants, and bequests to the fund.
- (3) Interest and dividends on assets of the funds.
- (4) Money transferred to the fund from other funds.
- (5) Money from any other source deposited in the fund.

**(c) The fund is considered a trust fund for purposes of IC 4-9.1-1-7.**

SECTION 13. IC 10-17-13-5, AS AMENDED BY P.L.4-2014, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. The commission consists of the following members:

- (1) Seven (7) Six (6) members appointed by the governor, as provided in this subdivision.** The governor shall consider the following when making appointments under this subdivision:
  - (A) Membership in a veterans association established under IC 10-18-6.
  - (B) Service in the armed forces of the United States (as defined in IC 5-9-4-3) or the national guard (as defined in IC 5-9-4-4).
  - (C) Experience in education, including higher education, vocational education, or adult education.
  - (D) Experience in investment banking or finance.

The governor shall designate one (1) member appointed under this subdivision to serve as chairperson of the commission.

**(2) One (1) county service officer appointed by the governor.**

~~(2)~~ **(3) The director of veterans' affairs appointed under IC 10-17-1-5 or the director's designee.**

~~(3)~~ **(4) The adjutant general of the military department of the state appointed under IC 10-16-2-6 or the adjutant general's designee.**

~~(4)~~ **(5) Four (4) members of the general assembly appointed as follows:**

- (A) Two (2) members of the senate, one (1) from each political party, appointed by the president pro tempore of the senate with advice from the minority leader of the senate.
- (B) Two (2) members of the house of representatives, one (1) from each political party, appointed by the speaker of the house of representatives with advice

from the minority leader of the house of representatives.

Members appointed under this subdivision are nonvoting, advisory members and must serve on a standing committee of the senate or house of representatives that has subject matter jurisdiction over military and veterans affairs."

SECTION 14. IC 10-17-13-15 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 15. (a) Each year after July 1 and before August 1, the commission shall determine:**

(1) the amount of money in the fund on July 1; and  
(2) the amount of the expenditures from the military family relief fund during the immediately preceding state fiscal year.

(b) After making the determinations under subsection (a), if the amount determined under subsection (a)(1) exceeds three hundred percent (300%) of the amount determined under subsection (a)(2), the commission shall transfer from the fund to the military family relief fund an amount equal to:

(1) fifty percent (50%); multiplied by  
(2) the difference of:  
(A) the amount determined under subsection (a)(1); minus  
(B) three hundred percent (300%) of the amount determined under subsection (a)(2).

SECTION 15. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "legislative council" refers to the legislative council established by IC 2-5-1.1-1.

(b) As used in this SECTION, "qualified service member" means an individual who:

(1) is:  
(A) a member of the armed forces of the United States or the national guard (as defined in IC 5-9-4-4); and  
(B) serving on or has served on active duty during a time of national conflict or war; or  
(2) has:  
(A) served on active duty during a time of national conflict or war in:  
(i) the armed forces of the United States; or  
(ii) the national guard (as defined in IC 5-9-4-4); and  
(B) received an honorable discharge.

(c) As used in this SECTION, "study committee" means either of the following:

(1) A statutory committee established under IC 2-5.  
(2) An interim study committee.

(d) The legislative council is urged to assign to the appropriate study committee during the 2016 legislative interim the topic of whether or not grants for assistance from the military family relief fund should be paid directly to vendors on behalf of a qualified service member or dependents of the qualified service member.

(e) If the topic described in subsection (d) is assigned to a study committee, the study committee shall issue a final report to the legislative council containing the study committee's findings and recommendations, including any recommended legislation, in an electronic format under IC 5-14-6 not later than November 1, 2016.

(f) This SECTION expires December 31, 2016.

SECTION 16. An emergency is declared for this act. (Reference is to ESB 295 as reprinted March 1, 2016.)

BANKS	BAIRD
ARNOLD	MACER
Senate Conferees	House Conferees

Roll Call 431: yeas 97, nays 0. Report adopted.

## ENROLLED ACTS SIGNED

The Speaker announced that he had signed House Enrolled Acts 1013, 1017, 1022, 1028, 1040, 1046, 1048, 1064, 1075, 1082, 1085, 1105, 1112, 1154, 1164, 1172, 1180, 1199, 1219, 1220, 1222, 1235, 1246, 1248, 1254, 1259, 1263, 1264, 1267, 1294, 1300, 1312, 1313, 1330, 1331, 1336, 1340, 1360, 1369, 1370 and 1374 and Senate Enrolled Acts 11, 15, 23, 31, 40, 41, 45, 61, 87, 109, 126, 140, 142, 147, 160, 167, 169, 172, 174, 189, 216, 221, 232, 238, 248, 250, 255, 294, 297, 300, 306, 310, 323, 335, 339, 347, 350, 372, 375, 380, 381 and 383 and Enrolled Senate Joint Resolution 14 on March 9.

## OTHER BUSINESS ON THE SPEAKER'S TABLE

### HOUSE MOTION

Mr. Speaker: I move that when we do adjourn, we adjourn until Thursday, March 10, 2016, at 9:00 a.m.

LEHMAN

The motion was adopted by a constitutional majority.

### HOUSE MOTION

Mr. Speaker: I move that Representative Forestal be removed as coauthor of Engrossed House Bill 1087.

SOLIDAY

Motion prevailed.

### MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that pursuant to Rule 84 of the Standing Rules and Orders of the Senate, President Pro Tempore David Long has made the following change in conferees appointments to Engrossed Senate Bill 165:

Conferees: Merritt replacing Breaux

JENNIFER L. MERTZ

Principal Secretary of the Senate

### MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has concurred in the House amendments to Engrossed Senate Bill 30.

JENNIFER L. MERTZ

Principal Secretary of the Senate

### MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has adopted Conference Committee Report 1 on Engrossed Senate Bills 146, 177 and 187.

JENNIFER L. MERTZ

Principal Secretary of the Senate

### MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has adopted Conference Committee Report 1 on Engrossed Senate Bills 301 and 357.

JENNIFER L. MERTZ

Principal Secretary of the Senate

### MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has adopted Conference Committee Report 1 on Engrossed House Bills 1012, 1130 and 1136.

JENNIFER L. MERTZ

Principal Secretary of the Senate

## MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has adopted Conference Committee Report 1 on Engrossed House Bills 1231, 1233 and 1344.

JENNIFER L. MERTZ  
Principal Secretary of the Senate

## MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has accepted and approved the Joint Rule 20 correction on Engrossed House Bill 1365.

JENNIFER L. MERTZ  
Principal Secretary of the Senate

## MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has accepted and approved the Joint Rule 20 correction on Engrossed Senate Bill 321.

JENNIFER L. MERTZ  
Principal Secretary of the Senate

## MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has accepted and approved the Joint Rule 20 correction on Engrossed Senate Bill 366.

JENNIFER L. MERTZ  
Principal Secretary of the Senate

## MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed House Concurrent Resolutions 71, 72 and 73 and the same are herewith returned to the House.

JENNIFER L. MERTZ  
Principal Secretary of the Senate

## MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Senate Concurrent Resolutions 51, 61, 62, 63 and 64 and the same are herewith transmitted to the House for further action.

JENNIFER L. MERTZ  
Principal Secretary of the Senate

On the motion of Representative Cox, the House adjourned at 8:13 p.m., this ninth day of March, 2016, until Thursday, March 10, 2016, at 9:00 a.m.

BRIAN C. BOSMA  
Speaker of the House of Representatives

M. CAROLINE SPOTTS  
Principal Clerk of the House of Representatives